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AN EIGHTEEN-CENT SALE in a little Italian grocery store in Rochester, New York, last spring, with a $5 fine in its wake, was the humble beginning of litigation which in a year went from the City Court to the County Court to the State Court of Appeals to the United States Supreme Court, and has just emerged as a decision which will become one of the pillars of the New Deal. The grocer sold two quarts of milk at nine cents a quart and then because, as he said, he was making a good profit, he threw in a loaf of bread. But the New York legislature had established a Milk Control Board, with power to fix prices, and the latter had made nine cents the minimum price for a quart of milk without any bread. The authority of the State thus to fix prices in the public interest has now been upheld by our highest court and this, along with the same court's acceptance of the Minnesota mortgage-moratorium law, makes it certain that President Roosevelt can carry through his policies without having to pack the Supreme Court with new justices in order to do it. The nub of the decision is in Justice Roberts's statement that the Constitution does not give anybody the right "to conduct his business in such fashion as to inflict injury upon the public at large." This is sound common sense, though it was not acceptable to Justices McReynolds, Van Devanter, Sutherland, and Butler, who wrote a dissenting opinion, just as they did in the Minnesota case. That the life of the New Deal should again be prolonged only by a five-to-four vote should persuade almost anybody of the absurdity of a governmental system in which a supreme issue of public policy is decided by one of nine lawyers in Washington.

ALL THAT PERSUASION and an appeal to patriotism, honesty, and fair dealing can do was done by the President in his address to the NRA code authorities on March 5 in Washington. Backed by the force of his enormous and nation-wide popularity, the President, in effect, asked the big, bad chiselers to behave themselves and play the game. "We must now consider immediate cooperation to secure increase in wages and shortening of hours. . . . The government cannot forever continue to absorb the whole burden of unemployment. The thing to do now is to get more people to work. . . . We must set up every safeguard against erasing the small operator from the economic scene. . . . The law itself has provided for free choice of their own representatives by employees. These two words 'free choice' mean just what they say." And so on. Time will show what the effect of these brave words will be. That they are sound and just cannot be denied. That under the provisions of the National Industrial Recovery Act they will be enforced remains to be seen. On the very morning that the President delivered his address, the Consumers' Advisory Board submitted a report, which General Johnson had first cavalierly dismissed as "opinion" not "fact" and then had accepted when he was threatened with the resignation of several of the board members, showing that under the codes purchasing power has not kept pace with rising prices. Data on fourteen codes were adduced to show over-large profits, unwarranted price increases, and monopolistic control of prices, all at the expense of the consumer and of the national recovery which the codes are attempting to bring about. This is but another example of the maladministration from which the NRA has suffered, and it will take a good deal of earnest thought and hard work to bring the codes up to the standard which Mr. Roosevelt has set for them.

ELSEWHERE in this issue appears a careful consideration of the Fletcher-Rayburn bill for the control of the security markets in the light of the recommendations of the Twentieth Century Fund on the subject. It would seem that at certain points the proposals of the Fund offer a more equitable and effective control of these markets than does the bill, and the latter, admirable as it is in intent, might well be strengthened and clarified. At the same time that the Senate Committee on Banking and Currency is attempting to educe the best means of controlling these operations in industrial finance, the exchanges themselves, under the leadership of Wall Street and with Richard Whitney as chief spokesman, are exerting every possible pressure to prevent what they regard as unwarranted interference with business. When the Fletcher-Rayburn bill first made its appearance, the Wall Street opposition immediately began marshaling its heavy artillery. Mr. Whitney called a meeting of representa-

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tives of thirty wire houses and indicated to them what seemed to him the worst features of the bill; each of these houses took pains to telegraph outside managers and partners all over the country; hundreds of pamphlets protesting against the bill were distributed by the New York Stock Exchange; Mr. Whitney sent strong letters of protest to eighty companies which have stocks listed on the Exchange; and so on. Apparently money is unlimited in this attempt to keep the markets free from control by the federal government. As a result of this initial bombardment, heads of stock exchanges, chambers of commerce, and great industries have rushed their protests to Washington and to the newspapers. Some American business particularly objects that under the provisions of the bill the public would at last know something about the forces which have made the security markets the greatest gamble of all time. And it is worth noting that so far no serious objection to federal control has been raised by any of the millions of small investors who have in large measure provided the wherewithal for their own plucking.

EXTENDING BACK into the days of the Hoover Administration and forward into the present regime runs the record of scandalous irregularities in the purchase of materials—from toilet kits and mackintoshes to bombing planes and cruisers—for the national defense. Such scandals are perennial and will doubtless continue as long as patriotism is pitted against the craving for private profit. The question is being newly investigated by the House Committee on Military Affairs, and day by day dubious or downright dishonest transactions are brought to light. The sum of these revelations is included in an article on another page of this issue which should be read by every person interested in the technique of making money out of preparations for war, and even by persons interested merely in honest government. The author suggests that the only way out is the drastic one of eliminating profit not only from the manufacture and sale of war materials but also from the basic industries, such as steel and aluminum, on which the manufactures depend. With this conclusion we wholly agree. Meanwhile, however, we may expect that the usual procedure will be gone through with in Washington: irregularities will be discovered, blame will be fixed, certain contracts will be voided, certain officials will be censured or dismissed or even indicted, and the expenditures of army and navy funds will be subjected to a more rigid scrutiny—until the next scandal begins.

PRESIDENT ROOSEVELT could hardly have been expected to adhere to his original intention of abandoning the CWA program and similar relief projects. Political as well as financial factors underlay his announcement that the CWA would be suspended on May 1. In his budget message he warned the country to expect a seven-billion-dollar deficit by the end of the current fiscal year, but promised that emergency expenditures would be curtailed in another year or so with the result that the budget would be brought into balance in 1935 or 1936. At the same time he warned Congress that if it voted appropriations in excess of those he had scheduled, it would be quite impossible to balance the budget in the time allotted. In view of this warning he could not himself ask for additional appropriations for relief without setting a dangerous precedent for a Congress that has shown that it is only too eager to continue the spending process. Whether the President really believed that business would be so much better by May that it would then readily absorb most of the CWA workers or merely yielded to the pressure of the more conservative of his advisers is not known. In any case it is clear by now that the relief situation is no less grave today than it has been at any time in the past several years and that it is likely to continue so despite improvement in business.

ALTHOUGH in his statement announcing his new relief program the President insists that the CWA is to be demobilized, the new program preserves most of the essential features of that experiment. The statement suggests that the sum of $950,000,000 recently appropriated by Congress for relief will be used in financing the substitute program. Unfortunately, half of this sum has already been allotted to the CWA to wind up its projects; the remaining half is being applied to direct relief and is rapidly disappearing. It has been pointed out, however, that in his budget message the President asked for $3,166,000,000 as a maximum sum to cover all relief and recovery projects. A part of this could no doubt be diverted to the new program, but such diversion would necessitate the abandonment or curtailment of the activities of the RFC and other agencies or a request from the White House that Congress vote additional funds to keep these agencies alive. The latter course, which appears to be the one the President is most likely to take, would mean that the hope of balancing the budget in 1936 would probably have to be given up. The question before the Administration is whether it shall seek, in the interest of sound financing and government credit, to redeem its pledge of a balanced budget at the expense of the unemployed, or let the budget go hang in order that the jobless may continue to eat.

THE NEW LEGISLATION looking toward Philippine independence, drawn in conformity with Mr. Roosevelt's recent suggestion, removes a signal defect from the Hare-Hawes-Cutting act which the insular legislature rejected. The abandonment of the American intention to retain military bases in the islands after independence had been proclaimed is a step in the right direction, but we believe the plan needs further overhauling before it will meet with the wishes of the Filipinos or before it deserves to be indorsed in this country by those who for years have been working for independence on reasonable terms. The economic provisions of the scheme are hypocritically unjust, requiring, as they do, that during the ten-year preparatory period previous to independence American goods be admitted to the Philippines duty free, while exports from the islands may be taxed by us. This provision was inserted primarily to protect our beet-sugar growers, although their industry is notorious for its oppressive and degrading labor conditions. Advocates of independence for the Philippines on just terms ought especially to condemn the attempt to create an impression that if the Filipinos reject the proposed measure it will be notice that they "do not desire independence," as Senator Tydings stated recently. The apparent effort to make the Filipinos take the pending legislation as an alternative to none should be resented by Americans solicitous for their country's reputation for fair play.

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THE MANCHU PRINCE, Pu-yi, has been lifted out of obscurity and placed upon the throne of his forefathers as an answer to the skeptics of the Western world who refuse to believe that Manchukuo is in fact an independent state. For how can anybody say that a country which has its own ruler, and an emperor at that, is being governed by another state? Pu-yi, now the Emperor Kang Teh, deported himself in admirable fashion at the coronation—although the Associated Press was ungenerous enough to say that the ceremony "moved with the precision of the Japanese military machine." In his first declaration from the throne he spoke to the Manchu people as one would expect a ruler to speak to his beloved and faithful subjects. No one could doubt, to read the speech, that his would be the real authority in Manchuria. But poor little Pu-yi almost gave the game away when, doubtless out of gratitude to those who had restored him to the imperial seat, he said that he would carry forward the task of reconstructing the Manchu country and endeavor to preserve its independence "in cooperation with our great neighbor, Japan."

IT GOES almost without saying that the Hitler government has repudiated Ewald Banse and his alarming book, "Germany Prepares for War," which is reviewed by Frank H. Simonds on another page of this issue. The German government has made a great show of suppressing Banse and his works; it has even gone so far as to deny that he was ever, as he claims, a professor of military science at the Brunswick Technical School. But Lovat Dickson, the English publisher of the book, has a letter from Banse of January 29 signed "Professor, Brunswick Technical School," and the German Universities Year Book for 1933 lists him as "Lecturer, military science." There is no reason for believing that the "suppression" of Banse's book has any better basis in fact than the denial of his connection with the Brunswick Technical School. For one thing the Society for Military Politics and Military Science, organized by the Nazis in July, 1933, expressly to promote Banse's ideas, is still carrying on its propaganda, and a second book by Banse, which is said to be even more sensational, is being freely circulated in Germany. The most conclusive evidence, however, that the book is an authentic if not authorized expression of Hitler's Germany is the fidelity with which it follows, in the direct and awful terms of military strategy, the vague and hysterical ideals of National Socialism. And Mr. Simonds is right when he says that what seems most preposterous in this book is actually most realistic. The tragedy lies in the fact that even with these blueprints before us it is quite improbable that the world, torn as it is with nationalisms as bad in kind if not in degree, will be able to stop Hitler's mad progress.

WE CANNOT BELIEVE that any society calling itself civilized would sanction the killing of human beings in the name of justice if such a punishment were suggested as a new, hitherto untried method of dealing with crime. In such circumstances capital punishment would be rejected with horror by every State in the Union. It is only because the death penalty is a survival from a more barbaric age, to which through generations we have become hardened, that we are able to tolerate and rationalize it in this day. But revolting as capital punishment is in ordinary circumstances, it becomes doubly so when public officials exhibit a sadistic determination to prevent a victim from "cheating the gallows," as the saying goes. The Associated Press reports that a man condemned to die in Indiana broke his eyeglasses and with the broken parts cut both wrists on the day before that set for his execution. When found by prison guards he was apparently dying from loss of blood and he pleaded not to be revived. But doctors bandaged his wrists, found another prisoner who was willing to give a pint of blood, made a transfusion, and restored the man to life. "He'll go to the chair if we have to take him there on a cot," a prison official is quoted as saying. It seems to us that such an official would find fuller scope for his talents in charge of a Nazi concentration camp in Germany.

IN AN OBSCURE CORNER of the financial section of the New York *Times* the following interesting item recently appeared:

> Alarm over the slowing up of the destruction of coffee in Brazil was allayed in local trade circles yesterday when the New York Coffee and Sugar Exchange received a cable dispatch from the National Coffee Department of Brazil stating that there has been no change of policy. The alarm was caused by the fact that in the first half of February only 46,000 bags were destroyed against a monthly average of 1,290,000 in the last six months of 1933. Destruction will be continued. . . . Destruction has been authorized and begun on 1,480,000 bags from Sao Paulo, 450,00 bags from Minas Geraes, and 173,000 bags from Paraná.

Who said the depression was over?

THE WEATHER MAN averted a revolution when he admitted on March 1 that February, at least on the Eastern seaboard, was one of the coldest months ever recorded by the Weather Bureau, which, incidentally, has been recording for 112 years. If he had dared, after the fashion of weather men and ship captains, to prove by the law of averages that the mean temperature of February wasn't so mean after all, Long Island would have risen as one man and that large snowdrift formerly known as New England would have declared its temporary isolation permanent. But now that February is over we can see that it had some things to recommend it. It will make excellent copy for tall tales; they had in fact begun to circulate before the month was over. There were the 30,000 snow shovelers who got "lost" in New York City somewhere between the headquarters of the CWA and the snowdrifts they were supposed to remove. There was the woman in the suburbs who called the police to rescue a man who for some time had been vainly trying to get out of a snowdrift in front of her house—only to find that it was her husband. There was the train from Greenport, Long Island, to New York City, carrying nine passengers, which covered ninety-three miles in twenty-two and a half hours. There were the hundreds of suburban dwellings so thoroughly equipped with modern electrical conveniences that, once the current went off, the hazards of living in the Arctic were as nothing compared with the dangers of Bronxville, which lacks both igloos and whale blubber. The New York Stock Exchange must have thought it was a very cold month indeed, with cruel winds blowing in from every direction. Let it remember, however, that the coldest hour always comes just before the heat is turned on.

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Retreat from Economic Nationalism

WHATEVER the specific objections may be to the President's proposal that Congress delegate to him the power to alter tariff rates for the purpose of negotiating reciprocal agreements, his message on the subject is an encouraging and significant document. After a year devoted to the effort to bring revival almost entirely by domestic measures, the President has been won over to the conclusion that "a full and permanent domestic recovery depends in part upon a revived and strengthened international trade."

The importance of this declaration becomes more apparent when we recall some of the earlier interpretations of the New Deal. It was the belief of Raymond Moley and others that the recovery program necessarily involved a movement in the direction of greater nationalism. The National Industrial Recovery Act itself provided that if an investigation by the Tariff Commission substantiated complaints that imports "endanger the maintenance of any code," the President could impose higher duties or even quota restrictions. And the general argument was put forward that the country could not expect to have a really "planned economy" while it permitted the disturbing element of foreign trade. This argument would have been harmless enough if it had merely asserted, what was true, that government regulation of foreign trade is consistent with "national planning"; but it was thoroughly unsound in its implication that a prohibition of foreign trade is in the national interest. What is important is that the President, after his initial waverings, is now convinced that economic revival can be hastened not by a further jacking up of tariff barriers but by a lowering of them.

Two main questions are raised by his present proposal: one is that of the country's future foreign-trade policy; the other that of the method of putting it into effect. Regarding the first, the President seems to have been influenced greatly by the thoughtful conclusions of Secretary Wallace. Mr. Wallace has pointed out strikingly what some of the results of a pure economic nationalism would be. We should have to be prepared to make permanent the retirement of from 40,000,000 to 100,000,000 acres of crop land. We should have to cut the cotton acreage of the South, for example, almost in half, and probably arrange to shift part of the Southern population. We should have to produce some things at an appalling expense. And we should have to submit to a regimentation and a direct compulsion in our economic life beyond anything imagined at present.

In his discussion of the results of a policy of internationalism Mr. Wallace is equally courageous, pointing out that "if we are going to increase foreign purchasing power enough to sell abroad our normal surpluses of cotton, wheat, and tobacco at a decent price, we shall have to accept nearly a billion dollars' worth more goods from abroad than we did in 1929. We shall have to get that much more in order to service the debts that are coming to us from abroad and have enough left over to pay us a fair price for what we send abroad." Mr. Wallace points out that this might seriously hurt certain industries and a few kinds of agricultural businesses, including those devoted to sugar beets, flax, and woolgrowing. Because of the political and other obstacles to a full internationalism, he suggests a "planned middle course" involving, say, a sufficient lowering of tariffs to bring in only another half-billion dollars' worth of goods annually, while permanently retracting our good agricultural land by some 25,000,000 instead of 50,000,000 acres.

Undoubtedly Mr. Wallace is right in holding that only some sort of compromise course between pure nationalism and pure internationalism is now either feasible or desirable; and he is right in holding that any course must involve unpleasant consequences for some elements of our population. But there is room for wide difference of opinion regarding the nature and extent of the compromise. Our tariff policy should be directed not so much toward admitting any given surplus of imports over exports as toward a gradual but persistent reduction of the less defensible tariff rates and the ultimate protection to a limited extent only of those industries necessary to national self-sufficiency.

Apart from these broader aims of our tariff policy, the question immediately raised by Mr. Roosevelt's present proposal is that of the delegation of power. If almost any other question were at issue, Mr. Roosevelt's request for still more delegated powers, on top of the unparalleled powers that have already been granted to him, might be regarded with justifiable suspicion. But it happens that Congress is made up of hundreds of men representing not the national interest but hundreds of local interests, that historically the trading of votes has always been scandalous, and that Congress frames tariffs more ineptly and with less concern for the general welfare than it frames almost any other type of legislation. It is also true, as the President contends, that for purposes of reciprocal bargaining he must be able to assure other countries that certain and prompt effect will be given to any agreement reached. It is therefore to be hoped that for a strictly limited period of, say, not more than two years, Congress will grant the President the powers he asks.

But those powers should be strictly circumscribed. As a permanent policy it is certainly not desirable that they be left entirely in the hands of the President. If Congress is permanently to delegate the details of tariff making, then, as the recent committee report of the Foreign Policy Association suggests, the President should be permitted to act on rates only after investigation and report by a reorganized Tariff Commission or other administrative body. The method of reciprocal bargaining proposed by the President, moreover, should be regarded as a secondary rather than a primary method of dealing with tariff problems. There is a tendency under such bargaining for nations to increase tariff rates in advance for bargaining purposes and to penalize each other or third nations when they fail to come to agreement; so that the net result may actually be an all-round increase of tariff rates. It is significant that the President asks for power to *increase* rates by 50 per cent as well as to decrease them by that amount, as well as for power to fix quotas. In general, tariff trading is likely to rest on the false and dangerous assumption that tariff walls are beneficial to the countries that put them up and injurious only to foreigners.

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The Labor Board's Future

SENATOR WAGNER'S bill calling for the creation of a new and more powerful National Labor Board is the logical outcome of Section 7-a of the Industrial Recovery Act, given the background of industrial relations against which labor originally received its right to bargain collectively, free from interference or coercion. Section 7-a was a bugle call, so to speak, which aroused the American trade unions from the lethargy of the depression years to a fever of organizational activity. The refusal of the big industrialists to accept these activities as part and parcel of the new dispensation in industrial affairs provoked, as far back as last summer, a nation-wide outburst of strikes. These strikes threatened to impede the efforts of the National Recovery Administration to put men back to work. Hence the National Labor Board was called into being in August, 1933, as an instrument for preserving the "industrial peace." This is not to say that the board was conceived of as a strike-breaking organization. Though its job was to adjust industrial disputes—a euphemistic expression for ending strikes—it had to achieve settlements consistent with the principles set forth in Section 7-a. To this end it worked out a formula (first applied, with considerable success from the point of view of the American Federation of Hosiery Workers, in the summer strikes in the mills around Reading, Pennsylvania) which ran as follows: The employees call off the strike; the employers rehire the striking workers without discrimination; the National Labor Board supervises an election of employee representatives for the purpose of collective bargaining. So long as employers, as in the case of the hosiery mills, abided by this formula, the board's task of putting Section 7-a into effect was straightforward and simple. As soon, however, as resistance developed among the Budds, the Weirs, and their fellows, the task of the board became impossible.

For the board lacked the power to enforce either its decisions or the agreements made under its auspices; or if it possessed such power, preferred to believe that it was impotent to set the process of judicial enforcement in motion. Its chief offense against the interests of those innocents among the American working population who trusted to the government to fulfil the promise of Section 7-a was that, lacking power, it nevertheless assumed responsibility. Knowing well that time is of the essence of strikes, thousands of workers who have ended their strikes but gained nothing thereby are now completely disillusioned. As for the lords of American industry, they are well aware that the board can, or will, do nothing to reform their habits save hand down counsels of sweet persuasion and—as a last resort—pass the buck to some other agency of the government.

Consider, for example, the board's recommendation of March 1 with respect to the Weirton case, the most fundamental controversy it has yet handled. After more than four months of fruitless endeavor to persuade Mr. Weir to permit his employees to choose at an election between representatives of the company unions and of the Amalgamated Association of Iron, Steel, and Tin Workers, the board in all its majesty finally thundered forth this pronouncement: "Be it resolved that the National Labor Board refer the Weirton Steel case to the Department of Justice with the recommendation for immediate action." Yet as long ago as the middle of December the board had already announced that it was referring the case to the Attorney-General! Consider, again, the Budd case, another instance of resistance on the part of an employer to the order of the National Labor Board for an election. Here the board, instead of insisting on its order, turned the controversy over to the National Compliance Board. The latter, in due time, respectfully suggested to Mr. Budd that he permit an election under its auspices at some indeterminate date under the penalties of losing his Blue Eagle, of having the case referred to the Department of Justice, and of recommendations that certain government contracts be withdrawn from his plant!

Some such bill as that introduced by Senator Wagner, the guiding genius of the present National Labor Board, was therefore imperative. The bill creates an agency, also to be called the National Labor Board, which not only is charged with the duty of composing industrial disputes, but possesses definite, positive powers of enforcement. The board contemplated in this bill would have functions and sanctions roughly equivalent to those of the Federal Trade Commission. As the Federal Trade Commission is empowered to deal with "unfair trade practices," the National Labor Board would be empowered to deal with "unfair labor practices." It would have authority to hold hearings, make findings, issue cease-and-desist orders as well as positive recommendations, and in the event of refusal to comply with its decisions, it could initiate equity proceedings through the Attorney-General's office.

The "unfair labor practices" over which the board would have jurisdiction, it is interesting to note, have nothing to do with the payment of starvation wages or the working of wantonly long hours. They are to be exclusively confined to variations on the theme of Section 4 of the bill: "Employees shall have the right to organize and join labor organizations, and to engage in concerted activities, either in labor organization or otherwise, for the purpose of organizing and bargaining collectively through representatives of their own choosing or for other purposes of mutual aid or protection." Among unfair labor practices the following are enumerated: To attempt by any interference, influence, restraint, favor, coercion, or lock-out, or by any other means, to impair the right of employees granted in Section 4; to refuse to recognize or deal with the representatives of employees, or to fail to exert every reasonable effort to make and maintain agreements with representatives concerning wages, hours, and other conditions of employment; to initiate, participate in, supervise, or influence the formation, constitution, by-laws, other governing rules, operations, policies, or elections of any labor organization; to contribute financial or other material support to any labor organization by compensating anyone for services performed in behalf of any labor organization, or for any means whatsoever; to engage in any discriminatory practice as to wage or hour differentials, advancement, demotion, hire, tenure of employment, reinstatement, or any other condition of employment which encourages membership

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in any labor organization, this subject to provisos which (a) safeguard the employer against being compelled to include all his employees in the terms of his trade agreement with any one group, and (b) preserve the principle of the closed shop if the employees enjoying such a contract constitute at least a majority and if the contract does not run for more than a year.

The Wagner bill is at least a step in the right direction, if the right direction be the organization of wage-earners in trade unions to run parallel with the organization, sanctioned by the NRA, of employers in trade associations. As the declaration of policy in the bill suggests, the "balance of bargaining power" must be equalized if the employee, under the conditions of modern industrial capitalism, is to "exercise liberty of contract, secure a just reward for his services, and preserve a decent standard of living." Whether the step is a firm or decisive one is another question. At bottom the present National Labor Board has failed because it has lacked a will to power; it has suffered from being composed half of trade-union retainers who envisage the American Federation of Labor as the only true embodiment of collective bargaining, and half of industrialists who remain true to the belief that the employer should be master in his own house.

President Roosevelt's recent executive order goes a long way toward placing in the hands of the board much of the power it will possess in the event that Senator Wagner's bill is enacted. The new order permits the board recourse to either or both of two sanctions in instances of non-compliance with its rulings: (1) the controversy may be referred to the National Compliance Board, which in considering it must take the National Labor Board's findings of fact as definitive without engaging, as in the Budd case, in a new fact-finding inquiry; (2) the controversy may be referred to the Attorney-General with such recommendations as the board may care to make. Obviously, the order contemplates that the National Labor Board shall henceforth function as an agency for upholding the collective-bargaining rights of Section 7-a as well as for "composing disputes which threaten the industrial peace of the country." Moreover, the order makes it evident that the National Compliance Board is expected to do something about disciplining employers who try to break up trade unions, Section 7-a notwithstanding, instead of devoting all its energies to inducing cleaners and dyers to charge the high prices which regional code authorities want them to charge. And it is the National Labor Board, not the National Recovery Administration, which is empowered to set in motion this disciplinary machinery—if the removal of a Blue Eagle may be considered discipline.

Why the public announcement of this order was delayed from February 23 until March 4—although the National Labor Board referred the Weirton case to the Department of Justice on February 27—is a mystery. The most probable reasons are the reluctance of Bluster-Loudly-but-Strike-Gently Johnson to have the right of "cracking down" removed from his own discreet and discriminating hands and the resistance of certain members of the National Labor Board itself (Wolman, Teagle, and du Pont are believed to form a bloc on this point) against transforming it from an agency of "mediation, conciliation, and arbitration" into an instrument for imposing the will of the government upon industrialists who are mortally opposed to trade unions and ready to fight all attempts to organize their employees.

Learning to Laugh

SPEAKING before a meeting of the Mark Twain Association, William McAndrew, once Superintendent of Schools in Chicago, expressed the discouraging opinion that courses in the appreciation of humor should be given in the educational institutions of this country. We hasten to declare that we yield to no one in our enthusiasm for humor, but we are a little alarmed by the paradoxical suggestion that it ought to be taken seriously, and we wonder if the jocular future of the nation can safely be left in the hands of persons who believe that the appreciation of jokes has to be taught. It has been pointed out before now that the popularity of Shakespeare declined *pari passu* with the spread of "courses" on his plays in the public schools, and we should hate to see a similar fate overtake the classics of humor. If, for example, Mr. Ed Wynn's broadcasts should ever be classified as home work, we are certain that no gasoline would continue to sponsor him and that the financing would have to be taken over by the Board of Education. Nor are we by any means certain that a connection between the universities and the funny men would prove especially beneficial to either humor or the academies. On the one hand, Harvard can obviously not compete with Hollywood and the radio for the first named, and it would not do for Amos and Andy to represent a toothpaste while some lesser team occupied the Bench of Modern Wisecracks at Cambridge. On the other hand, followers of the broadcasts inform us that the last thing the comedians need is more antiquarian learning and express alarm lest they be familiarized with the riches of a past even more remote than that upon which they now draw.

We raised no protest against the introduction of courses in "Appreciation of the Motion Picture." Several institutions of learning are, we believe, now offering to teach ambitious students the difficult art of enjoying a form of entertainment which was supposed to have reached the rock bottom of simplicity and owes its vast popularity to the fact that its master minds have devoted their chief energies to the successful effort to keep it well below the level of anybody's intelligence. But though we let that pass, we do protest against going one step farther and assuming that Joe Miller needs an explanatory lecture or that children cannot be expected to laugh unless they are taught. We are, indeed, beginning to suspect that education has its dangers and that the more things people are taught, the less they seem able to learn for themselves. If colleges find it desirable to teach home economics, that is fine. Good may even come from some of those extraordinary theses discovered by Dr. Flexner, dealing with such subjects as "A Study of Lost Motion in Dishwashing." But we insist that there are some natural functions and that if they are not left to nature, then no nature will be left to us. By all means let us explain to children what they are supposed to get out of a close-up of Greta Garbo indulging in one of those "kisses in a vertical position" which are the only sort permitted by Mr. Hayes. By all means let us see that they get the deeper meanings of Micky Mouse, and that the moral of "She Done Him Wrong" is clear to tender minds. But let us continue to have faith that they will see a joke for themselves.

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Issues and Men

The President's Popularity

San Francisco, March 1

NOTHING has stood out more clearly on this Western trip of mine than the extraordinary extent of the President's popularity. I have already written of conditions in Minnesota, where anti-Roosevelt Republicans assured me that if the election were held next fall Mr. Roosevelt would get considerably more than 90 per cent of the total vote in that Farmer-Labor State. Out here the tide is running just as strongly for the President. The only setback he has had has been due to his procedure in the air-mail contract scandal. Practically everybody I have met feels that for the first time the President failed to show his usual political acumen. They are inclined to believe that fundamentally he is right. They suspect everything that emanated from the Hoover Administration. But they think that the air-mail people should have been given their day in court, however formal. They think that Postmaster-General Farley's letter should have appeared simultaneously with the breaking off of the service, and not have been produced as a sort of afterthought. Every death of some young lieutenant trying to carry the mail without having had the necessary commercial experience and without the proper kind of airplane for this service increases the feeling that the President blundered.

Except for that, however, the confidence in the President is simply beyond precedent. I do not believe that any public man in our history has ever had such power as Franklin D. Roosevelt wields today by the consent of his fellow-citizens. I mean by that to say that the trust in him is so complete that if he is conscious of it he must feel his ability to put through anything that he wishes. The people are convinced that they have in him a man absolutely devoted to their interests, who is not playing politics and does not think of doing so. They feel that he is whole-heartedly trying to serve their interests and to rescue the country, and that if he does not succeed nobody could. They believe that he has shown genuine heroism in the courage and devotion with which he has tackled the gigantic problems confronting him, and they are going to forgive him a slip like his action in the air-mail scandal—perhaps for the unformulated reason that it makes them feel that after all he is but human, liable to error.

The whole nation's feeling of confidence in the President has been intensified by its reaction from its intense distrust of Herbert Hoover. I had expected in this State to find a considerable Hoover sentiment; to run across sympathy toward him in his retirement and efforts to make people believe that he was after all a victim of circumstances and that history would "set him right." But I have not found this. The general opinion is that among the working people there is a very intense feeling of hostility toward Hoover, and that with almost everybody else he has passed entirely out of the picture. I saw one glowing newspaper account the other day of how he has regained freshness and color and vigor and cheerfulness during his stay out here because of his constant fishing trips and outdoor life. But newspapermen tell me that this is romancing; that when he appeared here at the ceremony incidental to starting work on the Golden Gate Bridge, he looked just as sour and pasty and unhappy as ever. There is certainly no sign of his trying to undertake the hopeless task of galvanizing the Republican Party into life. Nobody wants to try that. There is much quiet amusement at the refusal of Ogden Mills, who has a great estate near this city, to speak before the Commonwealth Club, the most important lunch club in the West, after his recent Kansas speech. The refusal is credited to his belief that he got a very unfavorable reaction to that address, though some of the Eastern papers were enthusiastic about it.

Here, too, one finds that the CWA is a sore spot, one likely to give the President some unhappy hours. The men who are being laid off are storming the City Hall and demanding other jobs. If their spirit does not seem as belligerent as that of the discharged workers in Wisconsin and Minnesota, there is none the less an insistence that if the government cannot continue their jobs, somebody else must. One of the leading administrators tells me that the men are actually more concerned with having something to do than with the amount of their pay. They dread going back to idleness. He says that before he got into the CWA work he had no realization how great was the suffering, although he has been doing relief work through philanthropic agencies since the beginning of the distress. He, too, certifies to the extraordinary devotion to the President found everywhere. That must make the President very humble if he is conscious of it, and it must also make his responsibilities seem even heavier, for he must know that if he should disappoint these great masses of his fellow-citizens who have such blind faith in him, it would be almost impossible to rekindle in them the spirit of hopefulness.

The repeal of prohibition has helped conditions here a good deal, since California is a wine-producing state, but as elsewhere there is no sign of increased capital-goods production. January was disappointing for the retail stores after the splendid December that they had. San Francisco, it must be added, has never suffered as severely as Southern California; the amount of unemployment has been far less than in our Eastern cities. But the tremendous number of vacancies in apartment buildings and the unrented houses tell the story of families that have doubled up, or gone back to the farm, or taken to wandering. One cannot, of course, help wondering how long the complete confidence in the President will last if there is not definite improvement by next winter. Will he not fall commensurably with the extent of his rise in popular affection if he disappoints his countrymen?

Oswald Garrison Villard

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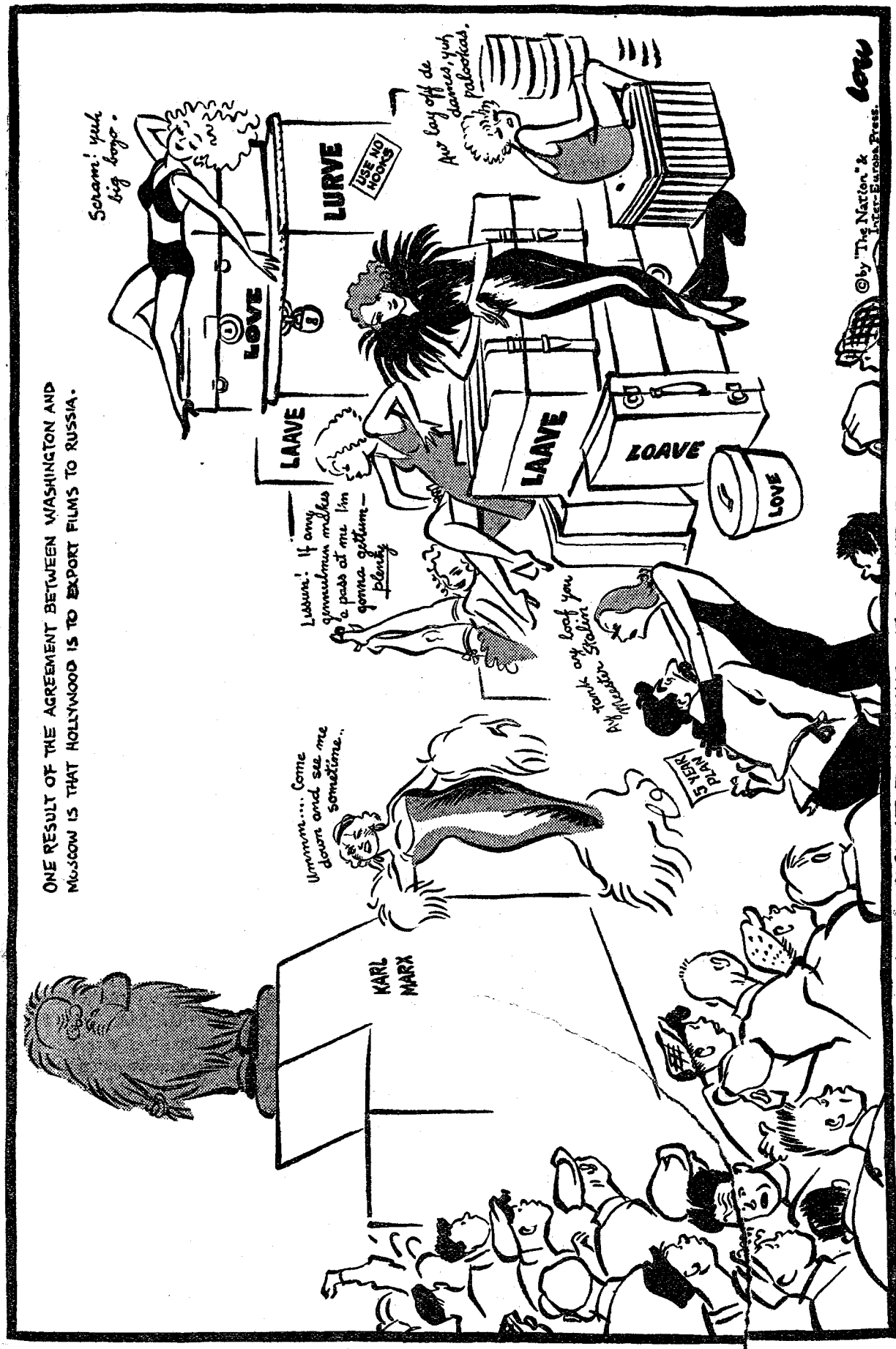
ONE RESULT OF THE AGREEMENT BETWEEN WASHINGTON AND MOSCOW IS THAT HOLLYWOOD IS TO EXPORT FILMS TO RUSSIA.
Scram! yuh big bozo.
LOVE
LURVE
USE NO HOOKS
LAAVE
LAAVE
LOAVE
LOVE
Aw lay off de dames, yuh pallookas.
Luuun! If any ginnulmun makes a pass at me I'm gonna gettum— plenty
Ummm.... Come down and see me sometime..
KARL MARX
A tank any loaf you fellunsteen Stalin
5 YEAR PLAN
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The Consumer vs. the NRA
I. Johnson's Five-Ring Circus

By JAMES RORTY

Washington, March 1

IN "The Growth of the American Republic," Morrison and Commager remark that ever since the adoption of the Constitution the people of this country have been "trying the case of the American people against themselves." So far the lawyers have always won.

The old case came up for trial again on February 27, when General Johnson summoned the critics of the NRA to Washington, set them up in five halls with amplifiers and national radio hook-ups, and told them to shoot the works. Well, some of them did. And since GHQ, in the person of General Johnson himself, was well within range, a few of them got personal with the General and his deputies. There ought to be a law about that. And there probably will be when the lawyers come out of their present frightened huddle. They're on the spot too. It would be a grand joke if, because of the confusion into which law, order, and public policy have been thrown by the NRA, and particularly by the industrial and financial double-dealers who have muscled in on the code authorities, the lawyers didn't win this time; if the American people, sitting once more in judgment upon itself as in the good old muckraking days, should be forced this time actually to come to some sort of decision.

The big shot himself led off Tuesday morning and did pretty well. "I do not want anybody to assume," said the General, "that either of these two conferences [the field day for criticism, and the code conferences which open on March 5] is a gesture or a kind of 'pep' meeting. They are both in deadly earnest, and the purpose of them is to mop up the errors, shortcomings, and mistakes of the rapid process of codification which, measured in figures of employment, has already covered about 90 per cent of American industry, and which in a relatively short time will have covered it all." The General was on and off the platform at most of his five circuses all day Tuesday and Tuesday evening, when he sparred genially with Robert Minor of the Communist Party. Incidentally, Minor's Southern manners and artist's sensitiveness were easily a match for the General, and he presented, in general terms, just about the best critique of the NRA that the first day's session produced.

So far as I can learn, the General came close to losing his temper and "cracking down" only once. That was when a boyish-looking non-com named Meyer Parodneck, representing the Emergency Conference of Consumer Organizations—one of the numerous aliases of the elusive Mr. Throttlebottom, the ultimate consumer—told the conference on trade practices that "a complete shake-up of the NRA high command is necessary if the people of the United States are to have a fair deal." At this point, when the five-foot impersonator of Throttlebottom began to mention the names of Mr. Whiteside and others, the General interrupted to say that what he wanted was not personalities but facts. "Very well," replied the cheerfully mutinous gamin. "I don't need to specify. Let's just say *all* your deputies."

The audience yelled with delight, and the General gave it up. Mr. Parodneck went on to denounce the futility of Mrs. Mary Harriman Rumsey's Consumers' Advisory Board, and to specify "vicious" devices, such as the price-fixing provision and the open price-listing provision, in many of the codes. He charged that the code authorities are under the control of big business, that the local compliance boards are sorry jests as consumer protectors, and that both labor and the consumer have been refused representation on the code authorities. He called attention to the suppression of the report of the construction unit of the NRA's Research and Planning Division, and charged that the functions of that division had been practically abandoned because of the conflicting preoccupations of its first chief, Alexander Sachs, of Lehman Brothers, who was succeeded officially or unofficially by Colonel Robert H. Montgomery, partner in the firm of Lybrand, Ross Brothers, and Montgomery, and Stephen Du Brul, an executive of General Motors. Mr. Parodneck charged that Mr. Du Brul "let the codes roll past him," so that the Planning Division, created by President Roosevelt under Section 2 of the Recovery Act as the heart of the NRA, had become instead its stepchild.

Mr. Parodneck then produced figures showing that chain-store sales rose 13 per cent from April to December of last year, while the average price of food and clothing combined rose 22 per cent; the quantity of goods sold might therefore be estimated to have declined about 8 per cent. Moreover, according to Mr. Parodneck and the statisticians of the Emergency Council of Consumer Organizations, department-store sales have increased only 1 per cent since last April, while during this period the prices of goods sold in these stores have risen 27 per cent. Consequently, the quantity of department-store sales declined 21 per cent from April of last year to January of this year. Mr. Parodneck, concluded triumphantly by mentioning the unmentionable. "The buyer's strike is on," he said. "Government figures prove it. Only the transfer of power from big business, which throttles recovery, to the people will stop it."

Meanwhile at another hearing Professor A. Anton Friedrich, of New York University, was addressing the hearing on trade practices, and conjuring up the gallant ghost of Professor William F. Ogburn, who resigned from the Consumers' Advisory Board last summer because "he believed that consumer representation could perform its functions only if all data bearing upon prices, costs, production, capacity, and capitalization were made available to it." Professor Ogburn's ideas, according to Professor Friedrich, "were interred in a filing cabinet to be kept company later by equally worthy suggestions for consumer protection." Professor Friedrich also aired a new wisecrack that is going the rounds in Washington, to the effect that the Chamber of Commerce has moved from the White House, where it was under President Hoover, to the Commerce Building under General Johnson and A. D. Whiteside.

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At this point the General must again be given some credit. Some weeks ago Leon Henderson, of the Russell Sage Foundation's remedial-loan department, talked back to the General in connection with the December consumer conference in Washington, presided over by Bruno Lasker of the *Survey*. The General's retort was to appoint Mr. Henderson one of his special assistants, in which capacity he has continued to talk back with great spirit and acumen. And, believe it or not, this writer arrived in Washington to find that Mr. Henderson had been appointed director of that moribund Research and Planning Division, with orders to revive it.

All these developments got a break in the papers. But for some reason the reopened hearings on the much-revised, not to say chiseled, Tugwell-Copeland food and drug bill were less fully treated. Yet both sessions of the Tuesday hearings before the Senate Commerce Committee were more than worth the price of admission. I had begun to believe that there wasn't much kick left in the poor old thing until I heard Charles Wesley Dunn orate for an hour and a half against the bill, even in its present version, and in favor of provisions contained in a chaste and beautiful substitute measure known as the McCarran-Jencks bill. Mr. Dunn is a lawyer and, if I may so so, what a lawyer! He presented himself as representing the Associated Grocery Manufacturers of America and the American Pharmaceutical Manufacturers' Association. And as if that were not enough, almost every time a food or drug manufacturer was mentioned he turned out to be one of Dunn's clients. Moreover, although the Senators delicately refrained from bringing this up, the McCarran-Jencks bill is none other than the Dunn bill, indited by Mr. Dunn's own hand. Mr. Dunn is tall and immaculate, and his personal presence combines the graces of Methodism and legalism. He is, in other words, a "smoothie," in contrast to the proprietary people, who tend to be what is known as "toughies." The more I listened to Mr. Dunn, the more I became convinced that the most substantial vested interest represented at this hearing was Mr. Dunn himself. His bill, of which he spoke very highly, would throw up enough barbed-wire legal entanglements between the Food and Drug Administration and the devious and dubious medicine men, vitamin men, drug men, and cosmeticians to reemploy the entire legal profession and populate the empty floors of Rockefeller Center. It retains all the loopholes of the Wiley law and adds more loopholes of its own than there is space to mention. Mr. Dunn's press release is lyrical about the provision in the Dunn-McCarran-Jencks bill which provides for an administrative board of review to which an advertiser may appeal for a review of an administrative decision before he is criminally prosecuted. This would make possible endless litigation and filibustering, which the Food and Drug Administration has neither funds nor staff to combat. And it is perhaps worth noting that the National Drug Conference, which includes the patent-medicine crowd, has indorsed the Dunn bill.

Mr. Dunn was preceded by Congressman Arthur P. Lamneck of Columbus, Ohio, who declared without a tremor that he represented large manufacturers of foods, drugs, and cosmetics, and wholesale houses located in his district, and that so far as he knew there was no demand for the Copeland bill. (Ohio women's clubs, attention! You and your Congressmen ought to get acquainted.) C. C. Parlin, research director of the Curtis Publishing Company, read a resolution passed by a special committee of the National Publishers' Association and signed by major executives of the Curtis, Crowell, Butterick, Hearst, McFadden, McCall, and *Printers' Ink* publications. It was to the effect that the Copeland bill in its present version is satisfactory to this committee, but that the committee recommends full consideration for amendments which manufacturers may offer. Several of the Senators heckled Mr. Parlin diligently but vainly to discover whether the magazine men were for the bill or against it. Perhaps they cherished the unworthy suspicion that C. C. was executing what is known in football as a forward pass. If so, the suspicion may well have been confirmed the next morning when John W. Darr, secretary of the Joint Committee for Sound and Democratic Consumer Legislation, did a fairly smooth job of fighting the Copeland bill. Mr. Darr needs a more extended introduction to the Senators than he has thus far received. The directors of his committee include executives of Bristol-Myers (Ipana toothpaste), Colgate-Palmolive-Peet, United Biscuit, Life Savers, and the Wheatena Corporation. Mr. Darr shares offices with Albert Haase, formerly executive secretary of the Association of National Advertisers, to which the firms listed above also belong, and the legislative committee of this association has publicly rebuked *Printers' Ink* and Parlin's publishers' committee for their implied okay of the Copeland bill. Another interesting item in this connection is that about the same time that Mr. Darr was kicking to the National Broadcasting Company because it refused to permit references to the bill in sponsored broadcasts, Edward Koback, president of the Advertising Federation of America, told a Philadelphia audience that the manufacturers sponsoring the anti-Tugwell fight have launched a nation-wide campaign via radio to "heap ridicule" upon the heads of consumers' organizations, particularly Consumers' Research, and Frederick J. Schlink, its president. "We were just waiting for Schlink to stick his head out before we hit him," Kobak declared, unaware that he was speaking for publication. "And to put this over right, we are getting the backing of the American Legion." The story was turned in by all the reporters present, but not one newspaper printed Koback's address. (*Editor and Publisher* attention.)

The next morning Mrs. Harvey W. Wiley, representing the District of Columbia Federation of Women's Clubs and the American Pure Food League, of which she is president, and also reporting a resolution passed by the General Federation of Women's Clubs indorsing the original Tugwell bill, spoke impressively in behalf of the Copeland bill. Mrs. Wiley pointed out that by the time she was called the committee had given eight hours and thirty-five minutes to manufacturing and advertising interests—and Mr. Dunn—and just twenty-five minutes to consumers. Later, after Clinton Robb, representing the Drug Institute, had spoken, one of the Senators asked what the Drug Institute was and, by implication, who the United Medicine Manufacturers were. Mrs. Wiley replied to the question by introducing into the record my article in a previous issue of *The Nation*, Who's Who in the Drug Lobby, in which the medicine men active in the United Medicine Manufacturers, affiliated with the Drug Institute, were duly ticketed and pedigreed.

Although consumers were given scant time, it was evident that the Senate committee was impressed by the consumer interest represented at the hearing. Particularly effec-

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tive was the testimony of Miss Alice Edwards, secretary of the American Home Economics Association, and others representing the American Association of University Women, the American Dietetic Association, the American Nurses' Association, the Medical Women's National Association, the National Congress of Parents and Teachers, the National League of Women Voters, the National Service Star Legion, and the National Women's Trade Union League, all of which organizations strongly supported the bill. In addition, Miss Edwards argued ably for the restoration of the standards provision of the original bill, which Parlin and others have emasculated by the insertion of the word "minimum."

The Case of the American People Against Themselves is still in session. There seems to be some slight disposition on the part of the respondent to believe that he eats and wears things as well as makes things, especially money. But one cannot be sure. There will be another report next week.

France Will Not Go Fascist

By ROBERT DELL

Geneva, February 20

IT is now possible to see the events in Paris on February 6 in their true proportion. It is not surprising that they should have given the impression abroad that France was on the verge of some form of fascism or at least of a dictatorship. As was said in *The Nation* of February 14, some foreign observers in France were already of that opinion. The events of the last ten days have shown that they were mistaken, no doubt because they observed only Paris and, as is so often the case with foreigners living in Paris, did not understand that Paris is not France.

Undoubtedly the situation in Paris on February 6 was extremely serious. If the demonstrators had not been fired on, they would have swept away the police barriers on the Pont de la Concorde, stormed the Chamber of Deputies, and massacred the deputies. Side by side with the demonstration of war veterans, who had no sinister intentions, there was an organized revolt planned by the Action Française and the Croix de Feu, the objective of which was the Chamber. As always happens in such cases, the crowd, swollen by individual sympathizers and mere sightseers, was carried away by the "active minority" with definite aims, and the demonstration became a riot. The government, which had persisted in thinking that there would be no serious trouble, had not provided sufficient forces to hold back and disperse the demonstrators and keep them out of the Place de la Concorde, and the Paris police, still under the influence of the dangerous political intriguer, Chiappe, failed in their duty. The bloodshed, deplorable as it was, became necessary. The Chamber of Deputies was saved from destruction by the *garde mobile*.

The Stavisky scandal had brought to a head discontent due mainly to the economic crisis—although France has suffered less from the depression than any other European country—and it was exploited by various interests with political or other axes to grind. Chautemps's incompetent handling of the scandal, which suggested that he was trying to stifle it and to cover highly placed persons implicated in the affair, exasperated popular feeling in Paris. Daladier's incoherence increased the exasperation. He made almost every possible blunder. He began by trying to form a Cabinet of "personalities," chosen without regard to their party allegiances, and having failed in the attempt, got together a scratch team composed mainly of politicians of the left who did not obtain the authorization of their respective parties, with the result that all parties were discontented. When Daladier did the right thing—for example, the dismissal of Chiappe—he did it in the wrong way. The circumstances in which Chiappe was dismissed suggested that Daladier's sole motive was to obtain a majority in the Chamber, where the position of the Cabinet looked hopeless. He got a large majority in the Chamber on February 6—the solid majority of the left—but only because the overthrow of the government would have looked like a surrender to the reactionaries and the mob. He then made the crowning blunder of resigning under pressure from the President of the Republic, who was panic-stricken, although plainly, having gone so far, he should have stuck to his guns.

And then "Gastounet," otherwise Monsieur Gaston Doumergue, lately President of the Republic, was called in to "save" France. This old parliamentary hand, with a certain astuteness and a perpetual smile, is not of the stuff of which dictators are made. He has formed a Cabinet on familiar lines, mainly composed of old stagers and political maids-of-all-work such as Barthou and Laval, with Marshal Pétain for prestige and Marquet, the "neo-Socialist" Mayor of Bordeaux, to represent youth and new blood. It is a weaker combination than Poincaré's "National Union" Cabinet of 1926 and is unlikely to last as long. Doumergue has obtained the expected large majority in the Chamber after a short Ministerial Declaration consisting of vague generalities, but the Radicals and the right are dissatisfied with the new government for different reasons and the Socialists are openly opposed to it. The artificial enthusiasm of most of the Parisian press does not represent the feeling of France.

Never before has the fundamental opposition between Paris and the provinces been so evident and never before has it been so clear that the political domination of France by Paris is at an end. The success of the general strike of protest all over France on February 12 shows that the workmen at any rate will stand no nonsense from fascists or royalists or other reactionaries. They will not succumb without a blow like the German workmen or wait until it is too late like the Austrian Socialists, whose heroic resistance to "Millimetternich" Dollfuss has saved only their honor. The official attempts to minimize the extent of the French strike have deceived nobody. It was a serious warning, all the more so because for the first time the Socialists and Communists made a united front. And the immense peaceful demonstration in Paris on February 12 shows that the rioters of February 6 did not represent even Paris—they represented no doubt the majority of the Parisian bourgeoisie. There will be no dic-

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tatorship of fascism in France without civil war, and the reactionaries know that a would-be dictator could not count on a conscript army. They have not forgotten the revolt of the seventeenth regiment under Clemenceau's first Cabinet a quarter of a century ago.

Where are the fascist tendencies in France? Chiefly in a handful of "neo-Socialists" such as Marquet and of "young radicals" such as Bertrand de Jouvenel, who conducts parties of young Frenchmen to Germany to fraternize with the Nazis. And Marquet's presence in the Doumergue Cabinet shows that his fascist tendencies are less strong than his desire for a ministerial portfolio. Tardieu and other politicians of the right and right center want an amendment of the constitution increasing the powers of the President of the Republic, but the powers that they propose to give him are smaller than those possessed by the President of the United States. The Constitution of the United States can hardly be called fascist. There is in France as elsewhere a good deal of disillusion about democracy and the parliamentary system, but that is nothing new in France. The French are skeptical about all forms of government, especially that in existence. A considerable proportion of university students, especially in Paris, are reactionary and nationalist in tendency, but so they have been for years, especially in the years immediately preceding the war. I should say that the opponents of parliamentarism and the advocates of "strong government" were more numerous before the war than they are now. They were certainly more numerous in the last twenty years of the nineteenth century. Before the war the French trade-union organization was anti-parliamentarist, and theoretically trade unionists were supposed not to vote in elections, although in practice they voted. The opponents of parliamentarism are not agreed among themselves. The Action Française, which is the most active anti-parliamentarist organization, is royalist, not fascist, and could never join in a movement for a fascist dictatorship. Its strength, such as it is, is almost entirely in Paris and it has no hold on the country as a whole. Less than two years ago the general election resulted in the greatest victory for the left in the history of the Third Republic, and there is no sign that France has changed since then, in spite of the agitation about the Stavisky scandal.

That agitation has been almost entirely confined to Paris. The provinces have remained calm. They woke up only after the riot in Paris on February 6, and on February 12 there were great demonstrations against the promoters of the Paris riot in almost every provincial town of any importance; whereas on February 6 there had been demonstrations in the same sense as that in Paris in only two or three places in the provinces, and nowhere was there any serious trouble. The reactionaries are afraid of provincial opinion and cannot conceal the fact. It is at the demand of the Radical federations in several provincial departments that it has been decided to hold an extraordinary national congress of the Radical Party not later than the first week in April. The comments of the conservative and reactionary papers on that decision show how alarmed they are by it. When the congress is held, the Radical leaders will probably hear some plain speaking. The provincial Radicals feel that the will of the electors as expressed at the general election in May, 1932, has been thwarted. The logical conclusion of the election was a coalition government of Radicals and Socialists, and Herriot refused to form one, although the Socialists asked for only moderate and reasonable conditions, principally concerned with disarmament and foreign policy. Hence the political chaos of the last twenty-one months. There have been six Cabinets since the general election—the Doumergue Cabinet is the seventh—and every one of them represented only a minority of the Chamber. The Radical leaders are responsible for the present situation.

A fortnight ago the conservatives and reactionaries, including Tardieu, were demanding a dissolution of the Chamber. "Dissolution!" was one of the cries of the demonstrators in Paris on February 6. When Doumergue formed his Cabinet, we were told that he intended to ask for a dissolution as soon as the budget was passed, and there is reason to believe that this was in fact his intention. If so, he has apparently abandoned it. Now the Socialists are demanding a dissolution and the conservatives and reactionaries are saying that it would be dangerous. Reports from the provinces have led them to believe that a general election would result in as great a victory for the left as that of May, 1932—perhaps even greater.

It is not because provincial Frenchmen are not disgusted by the Stavisky scandal that the provinces have refused to join in the agitation of Paris, but because they know that corruption is not the result of the parliamentary system or of democracy, and they are not, like the impulsive and light-headed Parisians, the dupes of those who are exploiting the scandal to discredit republican institutions. One of the most corrupt periods in French history was the First Empire, and the Second Empire was not much better. The First and Second Empires were the French forerunners of fascism. It is the highly centralized Napoleonic administrative system, which has survived almost unchanged to the present day, that is mainly responsible for corruption. That system puts almost arbitrary powers in the hands of ministers, who rule the country through the prefects. French ministers have a great amount of patronage at their disposal—too much to deal with directly, so that they have to depend on recommendations. It is physically impossible for a French minister to attend personally to all the matters that he has to deal with or to read all the letters that he has to sign, even if he works eighteen hours a day, as Poincaré discovered when he tried to do it. The powers of the Minister of Justice are such that justice is not really independent, and the public has lost confidence in its administration.

What is needed is decentralization and the reform of the administrative system and its methods from top to bottom. The methods are cumbersome and out of date and there is a great deal of overlapping of government departments. One reason why Stavisky's frauds were not discovered sooner is that the *Crédits Municipaux* (municipal pawnbroking monopolies) are supervised by several different departments, with the natural consequence that they are not supervised at all. Decentralization and reasonable methods would enable the number of government servants to be reduced by about one-half. Further, France is still to a great extent a police state. The powers of the Ministry of the Interior and the police are too great and too arbitrary.

This *autoritaire* and undemocratic administrative system would be quite suited to a fascist or any other dictatorial regime. It is incompatible with republican and democratic institutions and it falsifies their working.

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Armament Profiteers: 1934

By ROBERT WOHLFORTH

THE increasingly bad odor of profiteering and corruption that is settling over the business affairs of the War and Navy departments is proof that armament firms, like the Bourbons, learn nothing and forget nothing. The contract chiseling and leaks of advance information now being disclosed cannot be set down as merely some of the graft which Republicans say is undermining the Administration. These unsavory conditions are fundamental with the munitions-aviation-shipbuilding industries. They prove what the peace-time and war-time history of armament firms has always shown—the sale of inferior and defective products to the government, the corruption of officials and whole departments, and the pocketing of tremendous profits by respectable and patriotic business men.

To start any considerable expenditure for national defense is invariably to start graft. For instance, as long ago as last July, when the Navy Department opened bids for its first big construction program, the manipulations of the shipbuilding and steel industries were clearly revealed. The Bethlehem, New York, and Newport News companies with considerable finesse divided among themselves $100,000,000 worth of naval construction, practically all the work allotted to private yards.

According to Senator Park Trammell, chairman of the Naval Affairs Committee, this little business deal was effected by a peculiar method of bidding, a method so peculiar, in fact, that the Senator alleged collusion between these three companies. Apparently each firm selected a particular type of naval work it wished to do, and the other two firms "protected" the first in each class by entering higher bids. An analysis showed the three companies bidding in the fixed ratio of 11-12-13 on each of the types of work, with a different firm the low bidder each time. In this manner the Newport News Shipbuilding Company received contracts for two aircraft carriers at $38,000,000; the New York Shipbuilding Company, for two light cruisers and four destroyers at $37,474,000; and the Bethlehem Shipbuilding Company, for one heavy cruiser and four destroyers at $27,000,000.

These three patriotic firms, it will be remembered, paid William B. Shearer the sum of $25,000 to wreck the Geneva Disarmament Conference in 1927. Shearer's suit against the companies to collect another $25,000 due him was suddenly dropped after a Senate committee in 1930 investigated and reported on the situation. Presumably these shipbuilding companies settled out of court to avoid further unfavorable publicity. At any rate, Mr. Shearer is still among those present, for he is frequently seen in Washington in Capitol corridors, and he appears as imposing and as great a naval "expert" as ever. Indeed, these are lush times for naval "experts." Since the billion-dollar Vinson naval building bill was announced, Bethlehem Steel stock has risen in value 26 per cent, New York Shipbuilding stock 75 per cent, and United States Steel 15 per cent. It is little occurrences like these which have caused a special subcommittee of the House Committee on Naval Affairs to begin an investigation into the entire question of naval construction contracts.

It is aviation, however, infant child of national defense, born in graft and still wallowing in it contentedly, that holds the spotlight today. Air-mail subsidies were originally given to aircraft companies as a national defense measure, to help expand and perfect the aircraft business. Senator Black's committee long ago demonstrated that this purpose was wantonly disregarded by the companies in favor of profits on the operation side. To put an end to this gouging of the government it apparently has been necessary to outlaw 90 per cent of the operating companies, and we now have before us the spectacle of the Secretary of the American Bar Association, William J. MacCracken; America's hero, Charles A. Lindbergh; and America's ace, Edward Rickenbacher, trying to get them received in respectable circles again.

On the construction and selling side of the aviation business also recent disclosures seem to indicate that banishment is perhaps the only way to stop excessive profits. The aircraft manufacturers learned a great many bad tricks and kept very bad company during the war and have never got round to cleaning house. Many of the same men who spent hundreds of millions of dollars in government funds during the war in a futile and scandalous aircraft-production plan are still in positions of power in the industry. In addition, the industry has adopted the device of the holding company to link production and operating firms and to make profits on a war-time scale doubly sure.

For example, four large aviation companies control nearly 95 per cent of plane and engine construction and of all scheduled flying. The United Aircraft and Transport Corporation owns or controls fourteen operating and manufacturing companies; the Curtiss-Wright and the North-American Aviation corporations control an even dozen subsidiaries apiece. Aviation's link with the armor-plate business was clearly indicated last summer when E. L. Cord of the General Aviation Corporation, a large holding company, assumed control of the New York Shipbuilding Company three days after it received its fat navy contract. And controlling the "controllers" are our patriotic and respectable bankers and investment men.

The caliber of these gentlemen may be judged from the career of one of them, Colonel Edward A. Deeds of Dayton, Ohio, now on a convalescing tour "somewhere in Europe," as the House Naval Affairs Committee learned when it wished to have him testify. Deeds is chairman of the executive committee of the United Aircraft and Transport Corporation, a director of the National City Bank of New York, chairman of the board of the International Zeppelin Company, a director of the Pratt and Whitney Engine Company, the world's largest airplane-engine producers, and a director of the National Aviation Corporation. During the war Deeds was Chief of the Equipment Division of the United States Signal Corps, which handled aircraft production. Deeds's activities in this capacity were investigated four different times, most notably by the present Chief Justice, Charles Evans Hughes. The famous Hughes report charged Deeds with giving fat contracts to former business associates,

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with informing them of War Department activities to their profit, with giving business to firms with which he was closely connected, with placing friends in War Department offices, and with locating landing fields in Ohio and Florida without proper authority. After mentioning Deeds's previous prosecution for bribery in the cash-register business in 1912, the Hughes report recommended him for a military court martial under the 95th and 96th Articles of War. It was war time, however, and instead of a court martial Deeds received a banquet from the desk soldiers in the War Department and a recommendation from Newton D. Baker for a distinguished-service medal.

No one should be surprised, then, to learn that the methods used by the aviation industry in 1917 and 1918 to mulct the government are still in vogue. Leaks of advance information from official sources still make fat profits for the insiders in aviation. Witness the circumstances surrounding the air corps's announcement on January 27 last of a construction program calling for 1,000 aircraft. Days before the statement was made public, aviation stocks began to soar in volume and in price. The following table shows what happened—all before the announcement of the "secret-study" building program was made public:

	Shares Traded			Percentage of increase of value in Jan., '34
	Jan. 13 Week of	Jan. 20 Week of	Jan. 27 Week of	
Curtiss-Wright	15,000	69,000	249,000	92.5
North American Aviation	5,200	20,200	58,400	63.0
United Aircraft and Transport	71,100	194,000	210,000	13.6

It was obvious to those familiar with the traditional rivalry between the War and Navy departments that the admirals would never let the generals get away with 1,000 airplanes if they could help it. The navy almost immediately requested 1,184 additional aircraft, and in a few days the army raised the ante to a flat 2,000. The resulting gyrations of aviation shares on the New York market were so violent that Exchange officials began their own "investigation" of the matter.

The aviation industry has never forgotten its war-time tricks of profiteering on construction contracts. In 1918 the profits on Liberty Motors averaged 33.6 per cent, on LeRhone motors 92.8 per cent, and on DeHaviland-4 planes 50 per cent. The House Naval Affairs Committee, mainly under the impetus of W. D. McFarlane, Texas Democrat, has unearthed a similar situation in the army and navy airplane business since 1927. Up to 1933 the Pratt and Whitney Engine Company, for example, averaged a profit of 36 per cent on all navy business, reaching a high of 71 per cent in 1929. The Boeing Aircraft Company did almost as well, selling to the army planes on which it netted average profits of 32 per cent, with a high in 1932 of 55 per cent. The honors, however, go to the Consolidated Aircraft Company of Buffalo. In 1927 this company on a single contract with the army netted over $600,000 in profits in a transaction involving less than $1,500,000. The air corps forced it to disgorge by selling to the War Department fifty additional planes at one dollar apiece. Even after this restitution the company had a 25 per cent profit on the contract, represented by $300,000 in cash.

Nor have the various aviation companies forgotten the advantage of having former army and navy men on their selling and production staffs. R. H. Fleet, president of the Consolidated Aircraft Company, is a former army major. Frederick Nelson, president of Sikorsky, was formerly a lieutenant commander in the navy. Virtually all aviation officials appearing before House and naval investigating committees are former service men, and they have testified that their organizations contain many reserve officers and enlisted men. Captain James V. Martin, a pioneer aircraft manufacturer, asserted before the military committee that both the War and Navy departments are honeycombed with civilian aircraft representatives, and that gifts and bonuses to military and naval officials are common practice. Similar charges were made four years ago by Thomas L. Hall, president of the American Society for the Promotion of Aviation, an organization of "independents."

The existence of "contacts" between the aviation industry and government departments has been made clear in the federal grand-jury investigation initiated by Ross A. Collins, chairman of the House Military Appropriations Committee. Collins, one of the few members of Congress not blinded by gold braid or bluffed by generals, became suspicious of the manner in which the $7,500,000 aircraft purchases from Public Works money were being handled. The information he brought out in hearings on the annual War Department appropriations bill was turned over to the Department of Justice, and all airplane contracts, including the entire War Department bill, have been held up until the grand jury reports.

The air corps last December recommended the purchase of the fastest and most efficient types of bombing, pursuit, and attack planes. The requirements limited this business to the Boeing, the Martin, and the Douglas aircraft companies. Almost at once this information seeped out of the War Department and reached the ears of rival manufacturers who made slower and less efficient craft. Representatives of these manufacturers "contacted" the proper people in the army at once. As a result the conditions of purchase were so changed that efficiency and speed requirements were drastically lowered. Had not the purchases been stopped by Collins's intervention, the entire $7,500,000 would have been spent for types of airplanes that were out of date two years ago.

The occurrences in connection with the army's $10,000,000 order for motor trucks show that the aviation industry is not alone in appreciating the value of "contacts" with government departments. Again Collins, soft-spoken Mississippian who knows as much about the War Department as anyone in Washington, suggested that the Department of Justice look into the contracts. In this instance specifications for motor trucks being purchased for the army and the Civilian Conservation Corps underwent manipulation within the department, so that only one type of truck could fill the contract. In the aircraft requirements general standards were lowered; in the truck contracts a particular type of engine lubrication was called for which excluded all but one manufacturer. In the purchase of stoves and fire extinguishers for the CCC similar methods have been used to restrict the articles to the output of particular manufacturers.

Who is responsible for this sort of skullduggery? Secretary of War Dern and Robert Fechner, director of the

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CCC, obviously trusted their subordinates to handle the details of these purchases. Army and navy officials since 1927 have had full knowledge of the profits made by the aviation industry. The Air Act of 1926 compelled an audit of the books of all aircraft firms doing business with the War and Navy departments. These audits, it is true, were not made very thoroughly or by competent accountants, but the information was there for the use of government officials. In addition it must be noted that while the Air Act of 1926 was designed to increase competitive bidding among aircraft firms, all army business without exception has been done by negotiated, or "closed," contracts.

Then, too, the activities of "traders" like Joseph Silverman, Jr., of New York, have long been well known to War Department officials. Silverman, the "old-clothes man" of the army, has for years been buying surplus and condemned army clothing and equipment stocks. He was mentioned in connection with the CCC toilet-kit sales last spring. His most recent deal was to purchase raincoats from the War Department for 25 cents apiece which he attempted to resell, while the coats were still in army warehouses, to the forest army at $1.37 apiece. This sale, fortunately, was prevented. Similarly, the army's business dealings with the Mercur Corporation, lessees of the Port Newark, New Jersey, army base, have long been known to War Department officials. This corporation is alleged to have leased the army base and piers at almost no cost, and to have effected this arrangement by giving "presents" to certain officials.

Investigation and punishment are only part of the problem of controlling profiteering and corruption among firms doing business in the name of national defense. Complete government ownership and control of armament firms and related industries have frequently been suggested as the solution of this problem. Those familiar with the War and Navy departments are not optimistic about this scheme. When the navy made its own planes they cost the government more than similar planes bought from commercial plants. The army now operates a clothing and equipment factory at the Philadelphia quartermaster depot which is just as guilty of lobbying and "contacting" in an effort to secure larger orders as any civilian organization.

Even if the government should own and control all arms and related manufacturing, who could stop profiteering in firms producing raw materials? To take the profits out of the aircraft business, which uses large amounts of virgin aluminum, and at the same time allow the Aluminum Company of America to make profits would be no solution. Neither are government shipyards the answer to profiteering in armor-plate industries while steel production is in private hands.

Apparently the military and naval services themselves are not much concerned over outside profiteering as long as they get what they are after. In the *Army and Navy Journal* of February 17, 1934, was an editorial openly opposing Senator Nye's resolution for a blanket investigation of all munitions and armament firms. This opposition was based on the contention that such an investigation was "an insidious undermining of our national defense" and would work "hardships" on our patriotic industries. In an economic and social order in which all industry and raw materials were owned by the government the armament business might perhaps be successfully controlled. To hope for purity in preparedness in an era of rugged hog-ism must ever remain the function of well-meaning but ineffective seekers for a Utopia.

Stock-Market Control

By J. FREDERIC DEWHURST and MARGARET GRANT SCHNEIDER

THE Fletcher-Rayburn bill is one more logical step in a legislative program designed to break the wild horses of unrestrained individualism to the harness of social control. That the horses to be harnessed in this particular instance are not feeling their oats to the same extent as in the days of the New Era is evident from the fact that Richard Whitney himself, on behalf of the Governing Committee of the New York Stock Exchange, has recommended the creation of a coordinating authority with plenary powers to control the trading practices of the organized security markets. This recent conversion of the Exchange authorities to the principle of federal regulation removes the last obstacle to the imposition of at least some measure of public control.

The bill, upon which hearings are now being held, is long and involved, and the meaning and intent of certain sections are confusing and uncertain. Beneath the technical phraseology, however, it is possible to discern three major objectives: (1) to limit the volume of speculation by restricting the amount of credit available for trading in securities; (2) to prevent dishonest and improper dealing by eliminating manipulation and by limiting the trading activities of persons in privileged positions on the exchanges and of officers of corporations whose securities are traded in; and (3) to protect the interests of the investor by requiring more adequate information on corporations and their securities and thereby raising the standards of corporate management and accounting practice.

With these three objectives there is general agreement. The Dickinson report, the report of the Twentieth Century Fund,* and even Mr. Whitney are in accord as to the necessity of eliminating these evils.

The Twentieth Century Fund investigation of security markets has revealed the enormous stake which the people and business of the nation have in the security markets. More than ten million people own securities, and other millions are indirectly dependent on the markets through the investments of their deposits and premiums by banks and insurance companies. Furthermore, through the mechanism of brokers' loans the markets exert a powerful influence on the nation's banking and credit structure. The Fund's report lays down a base line of the functions the markets should perform against which their practices are judged. The authors conclude that excessive speculation—"a vast amount of unneces-

* "Stock Market Control." Edited by Evans Clark, Alfred L. Bernheim, J. Frederic Dewhurst, and Margaret Grant Schneider. D. Appleton-Century Company. $2.

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sary activity . . . an enormous milling and churning around of a few shares of a few companies"—may make such securities marketable, but fails to value them accurately in terms of their investment worth. This evaluation of securities should be the market's most important function. This excessive speculation, in turn, is due, first, to the lack of sufficient limitations on margin trading, pool operations, and so forth, and, second, to the lack of sufficient and accurate information about corporate and market activities. The Twentieth Century Fund report concludes with a specific program for regulation which in some respects furnishes a contrast to the Fletcher-Rayburn bill.

By and large the pending bill lays what appears to be an excessively heavy hand of federal law and control on some markets and corporate activities and leaves the rest quite free from specific statutory regulation. The Fund's program, on the other hand, fences the entire field with limitations, but allows greater freedom and flexibility within those limits. For example, the bill gives to the federal government almost complete domination of the organized exchanges, even to the election of officers and the promulgation of rules, and lays down the strictest reporting and accounting requirements for the minority of American corporations whose securities are listed on the exchanges. Regulation of the vast over-the-counter or unorganized markets, however, is left to the Federal Trade Commission. Although the commission in this instance is given authority to prescribe rules and regulations, the bill itself does not specifically define the nature of the control to be exercised.

The Fund report would apply the same regulation to all markets, both organized and unorganized, and would enforce proper corporate reporting on all corporations engaged in interstate commerce through a federal incorporation law. The report, furthermore, lays down broad standards of fair practice for the exchanges and insures fulfilment through the power of the government to withdraw their licenses to do business. The Fund, however, would allow them far greater self-government in ordering the details of their activities and in disciplining their membership.

The Fletcher-Rayburn bill designates the Federal Trade Commission as the regulatory authority both with respect to security trading and to standards of corporate management and accounting. The Twentieth Century Fund report contemplates the creation of a Security Markets Authority for supervision of security trading, but would have the federal incorporation law administered by the Federal Trade Commission. Both the bill and the Fund report use the licensing power of the federal government to effect control—presumably under the constitutional authority of Congress to regulate interstate commerce, banking, and currency. In order to be allowed to operate at all, exchanges must, under the bill, be "registered" by the federal government, or, as the Fund proposes, "licensed." If after receiving this sanction any exchange should violate the regulations imposed, its registration, or license, would be revoked. Both Senator Fletcher and the Fund would define by statute forbidden practices and minimum requirements, giving to the regulating body administrative and enforcement powers, with authority to extend the scope of the basic statutory rules and regulations but not to change them. Mr. Whitney, on the other hand, would leave specific regulations to the discretion of a coordinating authority composed of Presidential appointees, Cabinet officers, and representatives of the Federal Reserve System and of the stock exchanges.

The bill does not attempt to prohibit all speculation or completely to eliminate margin trading—and neither does the Fund report—implying recognition of the fact that honest and informed speculation in moderate volume contributes to the maintenance of a free and open market. The bill attacks the problem of excessive speculation by limiting the loan value of listed securities used as collateral for margin purposes to 40 per cent of current market value or 80 per cent of the lowest price during the three years preceding the date of the loan, whichever is higher. These provisions apply to loans by banks as well as by brokers on their own account except that these restrictions do not apply to loans by banks and other persons not members of exchanges on securities paid for in full more than thirty days prior to the making of the loan. Loans on securities not traded in on the exchanges, which include municipal and many other government bonds, are virtually prohibited. Moreover, only banks which are members of the Federal Reserve System are permitted to make loans to exchange brokers and their customers, and they can advance credit only on listed securities. Since these stringent provisions would lead to unnecessary and destructive liquidation and would restrict the loan operations of non-member banks, it appears likely that they will be modified.

Even as applied to exchange-brokerage and trading accounts, however, there is some question as to whether these limitations on the loan value of securities would sufficiently restrict the speculative use of credit in bull markets—which is the time when they would be most needed. Indeed, under certain conditions, as in steadily declining markets, the provisions of the bill would permit more liberal loans than are possible under the margin requirements now in force on the New York Stock Exchange. Moreover, it appears that after long periods of deflation the margin limits proposed in the bill would be unduly severe and would hamper recovery.

In marked contrast, the Twentieth Century Fund report proposes to base the loan value of all stocks—not merely those listed on the exchanges—primarily on earnings rather than on market prices. The Fund staff suggests that the amount of credit advanced on any share of stock, listed or unlisted, shall be limited to a figure equal to twice the corporate earnings applicable to that share over the previous five years—but in no instance equal to more than 60 per cent of its current market price. By relating loan values primarily to earnings rather than to market prices the rapid building of speculative credit in a bull market on the shifting sands of speculative prices would be prevented and the attention of traders would be concentrated upon investment values of securities rather than upon the day-to-day quotations on the ticker tape. Just as the Fund proposals would prevent undue expansion in the latter phases of a rising market, they would also eliminate drastic contraction during the decline.

The bill attacks the problem of manipulation by making unlawful various devices usually associated with manipulative practice, such as "wash sales," "matched orders," and other fictitious transactions, as well as purchases or sales made for the purpose of raising or lowering prices, or of creating artificial activity, or of pegging prices without prior notification to the commission. Also forbidden are the dissemination of rumors or misleading information regarding

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securities, all attempts to corner the floating supply of any issue, and all trading in options. The bill further requires the disclosure of holdings and dealings of officers, directors, and principal stockholders of corporation listed on the exchanges, and forbids short selling on the part of such insiders.

The recommendations of the Fund's report, on the other hand, encompass no direct prohibition of pools, syndicates, or options, recognizing the difficulty of enforcing such prohibitions as well as the fact that some of these practices may at times be associated with legitimate trading activities. The recommendations do, however, require prompt and complete public reports by all corporations on options and all activities and transactions which would indicate the existence of manipulation in both organized and unorganized markets.

As an additional protection to the investor the Fletcher-Rayburn bill prohibits any member of an exchange from acting as a dealer or underwriter of securities. This prohibition also applies to all brokers who do business through exchange members. This is to prevent brokers from using their customers' accounts in any way to further their own trading interests. The specialist is also forbidden, by the terms of the bill, to transact stop-loss orders, except under rules prescribed by the commission, and to disclose orders on his book to anyone unless such information is available to all members of the Exchange.

Here again the bill lays too heavy a hand on some activities and allows too much freedom for others. For example, all the small trading on the exchanges is handled through the so-called "odd-lot houses." These firms are dealers, not brokers. They buy and sell stocks in 100-share lots—the normal unit of trading on the exchange—and then retail them through brokers in smaller units. The provisions of the Fletcher-Rayburn bill forbidding Exchange members to act as dealers would cripple the existing odd-lot business. The Twentieth Century Fund report, on the other hand, lays down the general principle that the functions of brokers and dealers should be separated—both on and off the exchanges. This separation would be enforced by the licensing of both exchanges and firms doing business over the counter. Because odd-lot firms are dealers, not brokers, they could continue to perform their useful functions in small trading.

Both the bill and the Fund's report recognize that inaccurate and frequently actually misleading information in regard to corporations and their securities leads to uninformed and reckless speculation and to unwise investment. Moreover, necessary statistical data bearing on trading in these securities are not now available. The Fletcher-Rayburn bill clothes the Federal Trade Commission with sweeping powers to require not only detailed accounts and reports of the operations of companies but also of the business of exchange brokers and exchanges themselves. This power, however, applies only to the minority of corporations whose securities are actually listed. The Fund report, however, calls attention to the fact that legislation for control of security markets must include a federal incorporation law, which would compel all corporations engaged in interstate trade, whether or not their securities are traded in on the exchanges, to follow certain specific minimum standards of accounting and reporting.

The bill provides drastic criminal penalties in the form of fine and imprisonment for violation of its provisions as well as civil liability for damages resulting from such violations. In view of the lack of definiteness of many of the prohibitions of this bill, as in the case of the Securities Act of 1933, there is reason to suspect that the penalties may be so severe as to cripple the legitimate security business.

While the Fletcher-Rayburn bill gives many evidences of haste in its drafting, its broad purposes are, without question, in the public interest. The markets can no longer be left to their own, often anti-social, devices. Public control is an urgent necessity. Excessive speculation should be curbed and manipulation made as difficult as possible. It is to be hoped, however, that in some of its details the present bill will be amended so as to bring loan values into closer relation to real values and to modify some of the controls and penalties which may now be so stringent as to defeat its purpose. With these modifications the bill may approach its objective of curing the disease without killing the patient.

In the Driftway

THE Drifter is on the warpath again. This time he is after the scalp of the daily newspaper editors who have developed the habit of carrying over stories from the front page to various inside pages until the practice has become not merely a nuisance but a first-class handicap to the reader. Take, for instance, three recent successive issues of the New York *Times*. On Sunday, February 25, nine stories on the front page were carried over to eight different inside pages. On the next day, Monday, the same number of stories were continued on six different inside pages. On Tuesday the same number of stories were continued on eight different pages. Turning to three successive issues of the New York *Evening Post* of approximately the same dates, there were eleven stories carried over from the front page to four different inside pages on Saturday, February 24. On the following Monday nine stories were continued on five different inside pages, while on Tuesday twelve stories were carried over to four different inside pages. The Drifter picked these dates at random and bases his figures on the editions which he happened to read. He does not cite the *Times* and the *Evening Post* as especially flagrant offenders. They are both newspapers which he finds it worth his while to read—in spite of the difficulties which their front pages present—and so he takes them as examples. Other New York newspapers are given to the same bad habit to almost the same extent, and from what the Drifter sees of newspapers in other American cities he judges the practice has become a national vice.

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CITY newspapers are mostly read by persons going to or returning from work while sitting in crowded cars or buses, where the turning of pages is difficult. What, the Drifter asks, do newspaper editors expect readers to do in regard to the continuations of these stories from the front page? Do they expect the reader to finish each story in the order in which he begins it by rummaging inside and then returning to the front page? If so, they would exact an unholy amount of patience and lost time in unfolding and

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refolding pages. Or is it expected that the reader will carry in mind the first part of nine to a dozen stories while he plows through a couple of score others, hopefully waiting to pick up the disjointed fragments, usually disguised under considerably altered headlines? The Drifter does not know what the editors expect the reader to do, but he knows exactly what the reader does do. The average reader never finishes the story at all. Maybe that isn't of any consequence, but the supposition is one which newspaper editors can hardly afford to admit.

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THE Drifter can recall a time when there was not more than one story, if any, continued from the first page. It was the story in the extreme right-hand column, which was naturally continued on the following page when necessary. Then the habit grew up of carrying over one other story. That was not excessive, but the habit should have stopped there. The excuse for it, of course, is the desire to give the reader a picture of all the outstanding news at one glance in order that he may miss nothing. But the fact is that he often misses the essential part, because it is too difficult to play hide and seek with the story through successive pages. The best-read stories are those which appear intact on inside pages without the mutilation of a surgical operation in the abdomen or often as high up as the tonsils. The average reader would gain much more by a better grouping of news according to character on various inside pages than by the present packing and slicing of the front page.

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NEVERTHELESS the Drifter expects the present silly fashion to continue until another—possibly sillier—comes along to displace it. To revert to earlier and sounder practices in regard to the front page would be so simple and sensible a change that nobody can be expected to consider it.

THE DRIFTER

Correspondence

A Note on Mr. McGrady

TO THE EDITORS OF THE NATION:

In your issue of February 21 Paul Y. Anderson, in his Washington comment, takes the American Civil Liberties Union to task for what he calls "a scurrilous, utterly mendacious attack" upon Edward F. McGrady, Assistant Secretary of Labor. Mr. Anderson goes on to make a deserved case for Mr. McGrady as a progressive trade unionist, but he wholly ignores the issue of our communication to Secretary of Labor Perkins, which demanded that Mr. McCrady cease using his public office to intrench American Federation of Labor unions at the expense of independent left-wing unions.

We cited three cases in which Mr. McGrady had grossly misused the powers of his office to attack left-wing unions—in one case, by urging the commitment to jail of a left-wing leader, and in two others by openly urging employers not to sign trade-union agreements with left-wing unions. In all the cases he used indefensible language to characterize unions opposed to the American Federation of Labor.

Mr. Anderson said that we denounced Mr. McGrady as a "meddler and reactionary." We used no such language. We pointed out to Miss Perkins the impropriety of an Assistant Secretary of Labor using his public office to serve his private trade-union connections. Nobody should be quicker than your correspondent Mr. Anderson to defend the position we take, despite his obvious friendship for Mr. McGrady.

New York, February 27 ROGER BALDWIN

An Indian Disaster

TO THE EDITORS OF THE NATION:

The recent earthquake at Bihar, India, has proved to be a disaster of almost unprecedented proportions. Twenty thousand people were killed and unnumbered thousands were injured. Two thousand bodies were cremated on one vast funeral pyre, and most of the population are homeless and helpless.

I have just received a radio appeal for help from Mahatma Gandhi, who is raising money in his own country to help the stricken victims of Bihar. May I have the use of your columns to pass on this appeal to American friends of India, who may be glad to assist Gandhi in raising these greatly needed funds? Contributions sent to me at the Community Church will be transmitted at once to the Mahatma.

New York, March 5 JOHN HAYNES HOLMES

Labor Dramatics

TO THE EDITORS OF THE NATION:

For the last two years Brookwood has been trying out new methods in mass labor education by heading up its labor-dramatics work in a road tour, serving chiefly trade-union groups and unemployed organizations. Costs are surprisingly low because local people provide hospitality for the cast, and transportation expenses are pro-rated among the groups on the itinerary. Our students gain much by direct contact with the labor groups.

The short plays and skits given dramatize the effect of wage-saving devices, the evils of war, the struggle against company unionism, and the gains of unemployed organizations. Mass recitations—in which a speaking chorus reinforces with repetition and gestures the phrases of the interlocutor—have proved an effective medium for focusing attention upon the freeing of Tom Mooney, the bonus army, and the uprising of the unemployed. In our recent tour, during the Christmas vacation, we found that a dummy in the hands of a capable student ventriloquist was able to get away with more cracks at the old-time political parties than a speaker would have dared attempt in some of the backward areas visited. Another appreciated feature was the teaching of labor songs to every audience. Perforce the shows were as "propertyless" as the working class itself, and often given without the aid of platform or piano.

Our experience has convinced us of the effectiveness of these new methods, particularly in the smaller communities. In April we plan to put two groups of Brookwood Players on the road and would be glad to furnish details to any of your readers or to interested organizations.

Katonah, N. Y., February 15 MARK STARR,
Extension Director

The second article of Johannes Steel's series, Europe Moves Toward War, which was scheduled for this issue, will appear next week. Its subject is Germany's Dream of Expansion.—EDITORS THE NATION.

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Books, Drama, Films

Hitler Means War

Germany Prepares for War. By Ewald Banse. Translated from the German by Alan Harris. Harcourt, Brace and Company. $3.

THIS book constitutes the simplest, the most straightforward, and the most convincing explanation I have yet encountered not only of how Germany lost the last war but also of why she will lose the next. Unfortunately, however, it also supplies a devastating and irrefutable statement of why there is going to be a next war.

In itself, of course, there is nothing new about this book. Professor Hoover, Edgar Ansell Mowrer, Oswald Garrison Villard—in fact, everyone who has studied the Nazi phenomenon at close range—have testified to the same thing: that Hitler means war. The difference lies, however, in the fact that none of them was German. Here, on the other hand, is a German author who discusses the carving up of Europe to achieve German objectives with all the calmness of a surgeon explaining a major operation.

Briefly stated, the thesis of this book, the work of Ewald Banse, professor of military science at the Brunswick Technical College, is that the Germans are a people who, partly through their own blindness and folly and partly through the wickedness and jealousy of their neighbors—of France primarily—have never yet attained their rightful position. It is now the mission of Hitler's Third Reich to establish that place in the sun.

Geographically that place would be marked by frontiers which inclose Denmark, Holland, Belgium, northern France, most of Switzerland, the South Tyrol, all of Austria, the western part of Czecho-Slovakia, and the lost provinces of the east—West Prussia, Posen, and Upper Silesia. Upwards of 100,000,000 people would thus be included within the frontiers of the new Germany, perhaps 70,000,000 willingly, the remainder willy-nilly. To realize this objective France must be subjected to a bloody war, its northern Teutonic population mainly exterminated and the rest expelled. England is to be invaded from Holland—Irish support insuring that this will be a war on two fronts for the British. And our author cannot quite conceal his enthusiasm for the spectacle the ultimate and inevitable decline of Britain will afford.

Now the difficulty of the reviewer in discussing this book for an American audience lies precisely in the fact that what seems most preposterous in it is actually the most realistic. The program which Banse outlines is the prospectus of the *Führer* who dominates Germany today. It is the program outlined by Hitler in "Mein Kampf," which has become the Nazi Bible. It is the geographical concept of Germany which is being taught to all of German youth at the present moment.

But this conception is not merely the new doctrine of the National Socialists. On the contrary, it is also an exact repetition of the old pan-German gospel of the pre-war age. Today it is customary to set down the Nazi explosion to the sins of the Treaty of Versailles. But Holland, Switzerland, and Belgium were not wrongfully separated from the Second Reich by the "Dictate of Versailles." By virtue of that treaty Germany lost some 7,000,000 people, but on the basis of the Banse program she is now claiming no fewer than 30,000,000.

In fact, Hitler and his followers are not seeking to restore the Germany of 1914, with Austria added, but to reestablish the Germany of the Holy Roman Empire: to bring back the errant Dutch, Flemings, Swiss, Alsatians and Lorrainers, who are Germans by race but not by desire; to dispose of the alien elements which have crept in or are descendants of those who weakly permitted themselves to be assimilated to another and non-Nordic culture. "This is the true Germany," says Banse—like Hitler, indicating on the map the whole of Central Europe from the Somme to the Niemen. "Here the inhabitants must be German and that result must be achieved either by violent assimilation, actual extermination, or wholesale deportation. And since this is the true Germany, all who stand in the way of establishing it are actually attacking Germany, and the plan for the realization of this program is a program of defense."

Naturally the British and French will seize upon this book—the British already have begun to—as they did upon that of Bernhardi. Its propaganda value for the nations menaced by the Hitler *cum* Banse program is incalculable. But the trouble is that sober sensible people everywhere on this side of the Atlantic will reject the book for the same reason. They will see in it the expression of an individual German nationalist, not the accurate and authentic expression of the purpose of National Socialist Germany. Yet that is precisely what it is. Not that one-tenth of the German people today perceive the implications of the Nazi phenomenon; obviously they don't. Neither did any considerable number of Frenchmen grasp the implications of Napoleon's program. Nevertheless, the French conscripts marched to Moscow and Madrid.

Germany will, of course, lose the next war just as she did the last, because she is bound to end by driving the whole world into another combination against her. That is the single fact about the World War that escapes Professor Banse. His analysis of the various aspects of that conflict—strategic, tactical, and political—is otherwise admirable. What he doesn't ever suspect is that when you begin—as he does—by announcing a purpose to exterminate a portion of the French population, to invade Britain, to mutilate Italy and Poland, to extinguish Holland, Belgium, and Czecho-Slovakia, you must expect some day to meet these nations armed, united by a common fear and inspired by a common danger.

Of course there is no real justice in the attempt to use this book as an excuse for singling out German nationalism as contrasted with French, British, or even American. What the German seeks for himself is no more than what other peoples have acquired already, and the means he would employ they have used abundantly in their time. At least in the abstract German imperialism is as worthy or unworthy as any other. The main trouble is that the Germans are now trying to do what other peoples did in other centuries and to do it at their expense.

For myself, I wish that Professor Banse's book could be made required reading for all Americans who undertake hereafter to talk or write about peace, disarmament, or the Kellogg Pact. And that wish is not inspired by any desire to see a new wave of anti-German sentiment set in motion. Rather it is the expression of a desire to have these peacemakers brought face to face with the problem they are actually up against. And that problem is not the problem of German nationalism but of nationalism wherever it is found.

Professor Banse's book is an intelligent, straightforward, honest statement of the case for German nationalism. It blurts out the truth instead of disguising it. And the truth is that there can be no peace between German nationalism and French or British or Italian nationalism, because in a nationalistic world there is no way under heaven to reconcile rival territorial ambitions or adjust conflicting national rights. All our post-war peacemaking has been founded upon the assumption that you could reconcile the modern states system and its doctrine of integral sovereignty with a system of international peace and order. Now we are on the verge of a new war because nationalism and peace are themselves mutually exclusive. And in

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a vain effort to postpone conflict Europe has scrapped the League and gone back to the balance of power because that and not the League is the appropriate instrument of a nationalistic world.

FRANK H. SIMONDS

The Great Cham

The Life of Samuel Johnson. By Hugh Kingsmill. The Viking Press. $2.75.

ANY general biography of Samuel Johnson is bound to contain a great deal that is familiar and not much that is new. Nevertheless, the author of this interesting short study does more than merely present an introductory account for the benefit of those unfortunates to whom Boswell and the rest are unfamiliar. His purpose is to rescue the great man from those who would show him off as a kind of monster, and in pursuit of that purpose he manages to be both entertaining and instructive.

Boswell revered his Doctor. At the same time there can be no doubt that both he and his contemporary rivals regarded their subject as a literary opportunity and that they realized the literary value of his peculiarities. Boswell, of course, had long planned a Life and, as Mr. Kingsmill points out, had developed a systematic technique for leading his victim on to furnish him with striking copy. He returned again and again to sore subjects, he displayed a genius for inventing dilemmas and asking questions which stung the great man to fury, and then he gleefully set down as typical the most violently unreasonable opinions which he could trap the moralist into uttering. The result is that we are persuaded to accept as characteristic many vigorous but monstrous judgments which are, in fact, merely examples of the unreason into which any man may be led by a skilful tormentor. Boswell needed only to advance some painfully heretical opinion to wring from Johnson a more and more desperate defense of orthodoxy, and many of his most outrageous pronouncements can be directly traced to a deliberate provocation.

It is plain that Johnson did not apply to his friends the intolerant principles which he enunciated, and in all probability he would not, for example, have consigned Rousseau to the plantations if Boswell had not praised the heretic for the qualities which Johnson could least endure to think about. When he was left to himself, his good sense and good nature triumphed over his moral principles exactly as his sensitive literary feeling triumphed over his equally narrow literary principles. Thus he could regret that Shakespeare was not more didactic in his plays, but when Mrs. Thrale had trapped him into asserting that a passage in Young was more poetical than any similar description by the author of "Macbeth," he soon after recanted impulsively: "Young froths and foams and bubbles sometimes vigorously, but we must not compare the noise made by your teakettle here with the roaring of the ocean."

In reality the great moralist was not only an acknowledged pessimist but an uneasy, unwilling skeptic. "The cure for the greatest part of human miseries is not radical, but palliative." "Life must be filled up, and the man who is not capable of intellectual pleasures must content himself with such as his senses can afford." Because he believed these things he believed also that he could not do without religion, but he knew that only dogged, unreasoning orthodoxy could save him from the intellectual doubts which his reason could not meet. He thundered at Boswell, not for the purpose of convincing either Boswell or himself, but to dismiss subjects which he did not dare to speculate upon. All his strictness of principle arose from a sense of his own weakness. "If," he said, "I had no duties, and no reference to futurity, I would spend my life driving briskly in a post chaise with a pretty woman." And it was surely no prig who, when someone objected that gifts to beggars were often wasted on gin, burst out impatiently: "Why should they be denied such sweeteners of their existence. . . . Life is a pill which none of us can bear to swallow without gilding; yet for the poor we delight in stripping it still barer, and are not ashamed to show even visible displeasure if ever the bitter taste is taken from their mouths." His expatiations on the importance of birth were self-inflicted penances because, as he once confessed, he "hardly knew who his grandfather was"; his Toryism, which entertained no illusions about the superiority of the nobility, was merely a product of his pessimism and based itself upon an argument strangely like that of Pascal. "There would," he said, "be a perpetual struggle for precedence, were there no fixed invariable rules for the distinction of rank, which creates no jealousy as it is allowed to be accidental."

For a century at least every critic of Johnson has remarked that his fame rests upon his personality and not upon his writing. No one, however, seems to have remarked something which, perhaps, Mr. Kingsmill implies—namely, that Johnson's achievement was, nevertheless, an artistic one, that he is great because he created himself. Our affection for him does not depend, as our affection or admiration for a real person generally does, upon any agreement with his opinions or any approval of his aims. We do not, even, like him any the more for having the things which most offend us explained away. We like him for the same reason that we like a character in a work of imagination—not for his rightness or his goodness, but for his vitality, for his being so vividly himself. Johnson does not belong with the great historical personages so much as with the great figures of fiction—with Falstaff, Don Quixote, and the Peppercorn of Thomas Mann. If his greatness as a character owes something to the art of Boswell, it owes even more to the original whose life task was the creation of himself.

Incidentally it is strange that Mr. Kingsmill, having the thesis he has, should make nothing of the fact that we now know from Boswell's notebook how unscrupulous—or artistic—he was when it came to rephrasing Johnson's remarks. In one place Mr. Kingsmill even quotes the famous "I'll come no more behind your scenes, David, for the silk stockings and white bosoms of your actresses excite my amorous propensities," when we know that what Johnson actually said was something much more downright and much less "Johnsonian."

JOSEPH WOOD KRUTCH

Short and Salty Annals

Village Tale. By Phil Stong. Harcourt, Brace and Company. $2.

THIS third and, in some respects, best novel by Phil Stong has a more complex and interwoven design than either of his earlier books. Drury Stevenson, the village Iago, who puts Elmer Jamieson up to peppering his wife and Slaughter Somerville, the village squire, with birdshot, is himself less innocently involved with the wife of Bolly Hootman, Somerville's hired man. Drury's daughter Lulu, unsuccessfully in love with Somerville, hoodwinks her suitors impartially into whatever will help her spin her little webs of mischief. Somerville gets Sybil Jamieson, in respectable divorce, without fighting with her birdshot husband, but he avenges Bolly, horribly beaten by Drury, and himself upon the true villain of the piece. Those philosophical, bawdy elders, Ike Crane and Tessie Oosthoek, appear whenever there is need for their dry, sly remarks. The story is tight, if not almost knotted, with a variety of actions. It has three triangles: Somerville and Sybil and Elmer; Drury and Mate and Bolly; Lulu and Ben and Eddie. It runs, tersely, through the whole history of Drury's malice and Somerville's

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conscience and Sybil's proud readiness and Bolly's hero-worship.

The plot would suggest a play rather than a novel if Mr. Stong had brought his design to the simplicity which the theater ordinarily requires. He has not. Nowhere in the story can all its lines be seen converging to a central point, either dramatic or moral. It is a collection of separate small biographies, temporarily entangled. Mr. Stong, whose talent is more for detail than for construction, feels too much interest in each of his characters to subordinate most of them to some. Somerville, divided between his love for Sybil and his sense of what is expected of a Somerville, is the ranking personage of the book, but he will remind occasional readers of stars on the screen who have their pictures stolen from them by character actors. Bolly is more touching and Sybil more moving than Somerville. Mr. Stong has a better knack with a wench like Lulu than with a hero, and he is again at his best in his detached and cynical old people. Ike Crane deserves to stand only a little below the storekeeper who was the special triumph of "State Fair," and who has a small part in "Village Tale." Tessie Oosthoek, whom nothing but extreme age has cured of being disreputable, sums up in a few speeches all the wisdom of veteran sensual experience, spontaneous appetite remembered in tranquillity.

Yet engaging as Mr. Stong's dialogue often is, he is still a novelist not a dramatist, and it is his narrative which gives the book its peculiar savor. He is on the side of nature and instinct as against cool reason. He has seen, heard, touched, smelled, and tasted Iowa instead of merely thinking about it. Without neurotic quirks or grudges, he accepts village life with hearty good humor. But though he has no nerves he has plenty of brains, and he writes with many thrusts of wit. Few young novelists ever manage to be at once humorous and witty.

CARL VAN DOREN

Russia: Two Accounts

Russia Today. What Can We Learn from It? By Sherwood Eddy. Farrar and Rinehart. $2.50.

Moscow, 1911-1933. By Allan Monkhouse. Little, Brown and Company. $3.50.

SHERWOOD EDDY, unceasing truth-seeker and reformer, is primarily interested in unearthing in Russia's Communist philosophy those aspects from which he believes the United States can learn and benefit. Like the heroine in the Soviet play "The List of Benefits," now much in vogue at the Meierhold Theater in Moscow, he presents a list of the Soviet's "crimes" and "benefits." The whole first part of "Russia Today" is devoted to a condemnation of those "crimes," the "chief four evils," which are of the "very essence of communism itself." These evils are "(1) a paralyzing and ineffective bureaucracy; (2) the essential denial of liberty; (3) the danger of violence and compulsion; (4) a dogmatic atheism and anti-religious zeal." The second part of the book is a eulogy of the Soviet's benefits—its ideal of social justice, its aim of a "classless society which supersedes race and color prejudice," its new penology and humane treatment of criminals, and its unified philosophy.

Mr. Eddy is wrong in assuming that it is possible to transplant mechanically some of Russia's benefits into American soil. Eventually, no doubt, the Roosevelt Administration, or some other Administration, will have to appease the pauperized and unemployed millions of Americans. It will have to devise a solution for a difficult problem. Whether the solution of this problem is embodied in the NRA or the CWA, whether the Administration will take the radical step of granting unemployment insurance or the reactionary step of establishing a fascist dictatorship, it will be a typical American solution corresponding to our prevalent economic and social organization. In order to "benefit" by any of the Soviet Union's "possible contributions to human welfare," we shall first have to have a socialized economy. We shall also have to abolish private ownership and individual competition. This, of course, means Communist revolution. And Mr. Eddy is opposed to communism and revolutions.

In spite of the shortcomings and contradictions of "Russia Today," it offers much valuable material to students of Soviet affairs. Incidentally, it supplements and explains some of the "impartial" statements contained in Allan Monkhouse's "Moscow, 1911-1933." Mr. Monkhouse, who will be best remembered as one of the British engineers tried in April, 1933, by the Soviets for espionage and sabotage, is obviously no friend of the present Soviet regime. Unlike Mr. Eddy, he is not interested in a solution of the world's economic and social ills. He is neither a trained reporter nor a reformer.

A good British subject, fortified by the Union Jack, which, as he says, "has always been displayed wherever it has been my lot to live abroad," as well as by portraits of H. M. the King and H. M. the Queen, Mr. Monkhouse arrived in Moscow in 1911. He was a good engineer well paid by the Russian industrialists. He used to attend quite frequently the English church and the English Club in Moscow. Life flowed happily during the Czarist days.

When the World War broke out, Mr. Monkhouse, like a good patriot, volunteered to serve in the British army. At a hint from the British government, however, he remained in Russia to manufacture munitions for the Allied armies. After the revolution, for reasons unknown, he was accused by the workers of his own plant of sabotage. The law being rigid and prompt in those days, he was about to be shot. But fate was on his side. He somehow got out of a perilous situation and soon after fled through Siberia to San Francisco and New York. In New York he was given the job of recruiting East Side Zionists for the British army, to fight the Turks in Palestine. Soon, however, he appeared once more in Siberia in the capacity of a "Russian expert" of the British Intelligence Service, attached to the far-famed Archangel Expeditionary Force.

Mr. Monkhouse fought hand in hand with the Russian White Guards. He learned to love them and pity them. This, to be sure, did not prevent him later on from becoming a "real and true friend" of Soviet Russia. In 1924, when the opportunity presented itself, he returned to Moscow as a representative of the Metropolitan Vickers Electrical Company. His aim, he claims, was to assist the workers in building a Soviet society. He remained a friend of Soviet Russia until, at the famous Moscow trial, he was convicted of sabotage and espionage and banished from the country.

Although the reader would be interested in a clear and truthful account of the trial, Mr. Monkhouse has very little "inside dope" to reveal beyond that which has already been reported in the newspapers. He insists that he was merely a victim of the Stalin bureaucrats, who designated him as a scapegoat for the failure of the Five-Year Plan, a point, incidentally, contradicted by Mr. Eddy. He sheds no additional light on the confession of guilt made by his colleagues, Thornton and MacDonald. His own confession he attributes to G. P. U. coercion.

It seems that Mr. Monkhouse was questioned one day "uninterruptedly from breakfast time until approximately 2 a. m. the following morning." The reputed G. P. U. methods of torture, such as "hypnotism and drugs," he states, "were not used" on him. During the questioning period, according to his own statement, "I had two meals brought in, which Belogorski [the chief inquisitor] himself shared with me, and we

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continued talking during the meals. These meals were good, included pressed caviar, salad, soup, roast duck, and sweets." Thus terrorized, he signed a confession which he later had much difficulty retracting.

Although Mr. Monkhouse has spent more than twenty in Russia he betrays no deep knowledge of that country, ople, or its social and economic forces. He has little to about the Five-Year Plan or the Soviet program of indus- zation which has not already been covered much more y by other writers. The book is primarily a personal , a document of an adventurous career. Were it not he restraining influence of the author's studied impar- "Moscow, 1911-1933" would be a very exciting thriller.

LEON DENNEN

The Poet as a Young Man

Letters to the New Island. By William Butler Yeats. Edited with an Introduction by Horace Reynolds. Harvard University Press. $2.50.

TO those familiar with Yeats's 'Autobiographies" the literary notes which he contributed in the eighties and nineties to a Boston and a Providence journal have largely a historical interest. The substance of them is in the "Autobiographies," transmuted by time and taste to something richer and finer than what appears in these youthful letters. Yet there is a certain fascination in discovering the first prick of those ideas which were to have so unexpected a flowering, and one finds here as there the man of imagination and of wit, the mystic and the lover, the poet and the patriot. In his introduction to the book Horace Reynolds writes truly: ". . . brought forth by an unknown young Irish poet in London and printed in New England," the ideas that we find in these papers "are part of a nation's awakening to intellectual and imaginative e ."

t is the passionate nationalism of Yeats's thinking that is mos evident here. "Cosmopolitan literature is, at best, but a poo ubble, though a big one," he says; "creative work always has a fatherland." And again: "After all, Ireland is the true subject for the Irish." The theme is repeated throughout the letters, its chief variant being the insistence on the value, for Irish writers, of Irish history and mythology. "England is old and her poets must scrape up the crumbs of an almost finished banquet, but Ireland has still full tables." Yet for all his eagerness to establish, on a native tradition, a native literature worthy of it, Yeats is too mystical a thinker and too sound a craftsman to be narrow and insular. "To the greater poets everything they see has its relation to the national life, and through that to the universal and divine life; nothing is an isolated artistic moment; there is a unity everywhere. . . . But to this universalism . . . you can only attain through what is near you, your nation, or, if you be no traveler, your village and the cobwebs on your walls." One thinks of Dante, and of Emily Dickinson. And when, in 1891, he speaks of "that more ample and subtle style the greatest writers learn, in part, from knowing and modeling themselves upon the best masters of verse and prose in every country of the world," one thinks of Pound, still at his schoolmaster's job forty years later.

Yeats's reliance upon what he calls "tradition" at the expense of science is equally clear in these early letters. He is too impatient with science to see that it belongs to the inheritance of the modern mind, and that poetry in our time cannot come to its full stature unless the poet knows his physics as well as his native folklore. Were his own work not there to prove what magnificent poetry can be written upon so unsound a foundation as that which he recommends, one would be in-

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clined to throw the whole theory overboard. And then one remembers that, as he says somewhere in his Essays, he believed things with his emotions that he did not believe with his intellect. Having both intensity and energy he was able to turn this divorce of mind and feeling into a source of strength. "To be read in this age," he was writing in '88, "you must have ambitious thoughts, offer some solution of the old riddle. You must draw heaven and earth into your net." If he has not offered an acceptable solution, he has had ambitious thoughts, he has drawn heaven and earth into his net. For that reason alone, as also for the sake of some thoughtful and witty insights by the way, these old ventures into journalism were worth preserving and remain worth reading. BABETTE DEUTSCH

The Dance

The Music Hall: Revues: the Movies

THERE are so many varieties of popular dancing in America that they are better categorized by the place in which they are danced, or by the people who dance them, than by the quality of the dancing itself. The quality of the dancing as form, as movement, even as an indication of a national expression has only one facet which is shared by nearly every sort of performer—its virtuosity.

For example, take the Radio City Music Hall. On that enormous half-shell what has ever been presented as handsome or as theatrical as its auditorium? It is practically impossible for one person to prevail as an artist alone on the stage, since the human scale is wholly destroyed by the height of the proscenium. The voice is well amplified throughout the hall, but unfortunately there are no glasses to swell the apparition of a minute performer for the distant back rows. The dance, however, is hardly neglected at Radio City. There is a ballet corps under the direction of the house choreographer, Florence Rogge. Her task of turning out a different routine every week, with her girls dancing four shows a day and rehearsing the new one in between, is not a very thankful one. She does what anyone would do—invents what she has the energy to think out and, for the rest, repeats what has been done before. The main problem is to keep the big stage filled with nervous action in the varying conceits of peacock's tails, harems, galleons, or motor shows that the sign-painters in the studios bat out.

The Roxyettes, those fifty-two tested automata, can always be counted on by the grateful management to magnetize applause. These girls, trained not to any music but to a metronome, have the gift of insensate repetition down to the last kick. It is nerve-racking to consider what there is about a dancer repeating a turn on the stage which finally beats the watchers into clapping, or about the line of Roxyettes clipping their hoofs with a one, two, three which gives such a sense of relief to so many people—the relief of recognition, of mechanized motion, of precise inertia, of realizing how long it must have taken them to get that way. Yet the Roxyettes, fifty-two of them dancing what would be insupportable for one to dance alone, have in their subhuman geometry the only moments of theatrical effectiveness of all that monstrous scene.

The problem of a really good dancer on the Music Hall stage is much more serious. When one long accusing spotlight assails him from somewhere in the arena's night and pins him, tiny in front of the contour-curtain or a Roxy set, his arms and legs have to fly out in such spiral spokes from his trunk that only the most active can survive it. A few weeks ago two serpentine virtuosi almost belied this. Barry and Coe in white pants and mess jackets executed a series of slow-motion passages—snakes writhing from the sand, rubber torsos and octopoid legs—that were thrilling. If they had been in a house of reasonable size they would have had not only claps but cheers. Buck and Bubbles, perhaps the best team of colored dancers in America today, went through a combination apache-tango that was no less beautiful in its perfect timing than Moss and Fontana's miracle waltzes, but almost insupportably funnier.

Virtuosity is of course, in vaudeville, its own reward, but even excellent dancers, who often appear at the Music Hall, have not the added power of annihilating the crippling lights and the general gigantism of the mise-en-scène. Virtuosi need a friendlier space. Their stuff both merits and demands it. What could be done with the Music Hall as far as spectacle goes is a perennial subject of pleasant, fruitless speculation. A herd of elephants (not one baby elephant as in its "Scheherazade"), a school of whales, even Reinhardt using the material of the circus for a melodrama, or Meierhold bringing up massed armies on the three double-revolving and interlocking elevator stages, would meet difficulties.

The present "Ziegfeld Follies" brings up several disturbing problems in American dancing. In the first place, Patricia Bowman, the delicate and able technician who has left her post as first dancer at the Music Hall for the occasion, is seen to better advantage than in years. Those who have had the good fortune to watch Miss Bowman in class realize how gracious her exquisite gifts can be. She is too fine for the crassness of Broadway, and yet there has been, until now, nowhere else for her to go. Compared with the visiting Russians of the Monte Carlo Ballet, she has as much schooling or more, but not the background to dance against—which in her case is so important. Also in the "Follies" are those two very young eccentric tap dancers Vilma and Buddy (as Walter Winchell says, Ebsens makes the heart grow fonder). That was surely true a year ago. Their gaiety, their frank diffidence and ingenuity were entirely charming. But now, no matter what the music or costume or set, their dance is the same. Buddy is in the awkward position of a juvenile growing up. The first youthful flush is mannered and semi-permanent. The exploitation of the essence of youth by a dancer is tiring both to him and his audience. As on the dramatic stage, a persistent juvenile never grows up; he fades away. Then the question of the great American contribution—tap dancing. This essentially aural technique, which polishes the eardrums of the listeners with its soothing, subtle, and braided staccatos, rarely delights the eye. The arms and shoulders of a tap dancer are too often dead. Though Snake Hips and Bill Robinson are entirely released, nevertheless it seems nearly impossible for whites to tap with their whole body.

Fred Astaire is perhaps the one white tap dancer who maintains his ingenuousness into his thirties. But then, he has more than his taps to support him; he has above all his delivery, his engaging extreme professionalism which gives him the air of an aristocratic and, on occasion, a tragic amateur.

The dancing in "As Thousands Cheer" is mainly interesting on account of Charles Weidmann's arrangement of several of the song hits. He has conceived a very effective plastic dance for Letitia Ide, who has fine looks and moves with sympathy and force. American group dancers are more and more employed as decorative interludes in good revues. It almost seems a solution for the "group," since it is so hard for them to construct a full evening's program for more than two or three concerts a year, and the heterogeneous composition of an "intimate" or an intelligent musical show offers a frame without too many vulgarizing limitations.

Choreography in moving pictures has recently approached an imperial lavishness. Busby Berkeley, working for Warner Brothers, has conceived the sumptuous sequences for the series

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of "Gold-Diggers," "Footlight Parade," and "Fashions of 1933." His formula for socking moving-picture audiences is a combination of geometry, mass pulchritude, and water. The camera can be mounted under glass, hung from above, or placed at any of the possible 180 angles, receiving the kaleidoscopic symmetry of countless blondes whose legs and arms develop into points of stars, links in a necklace, or caryatids of Babylonian fountains, the spouts of which, drenching them with water, they hold between their breasts. There is not a great deal of dancing, but enough to give movement to the close-ups. The long shots, owing to the number of persons used in precision work, might be photographs of anything but chorus girls. Good dancing somehow doesn't get across on the screen. The warmth of Fred Astaire's stage presence is ineffective in his pictures. In "I Am Suzanne" there was a nice idea of contrasting a live dancer with large marionettes, but all the delicate heroine was given to do, in her role as the greatest dancer in wherever, was some very rough trick adagio. The camera can amplify eyes, nose, and teeth to apocalyptic dimensions and emphasis. Somehow dancing, more than acting, requires the actual miracle of the human body in action. The present exhilaration, the rising blood, the sweeping color are nearly as moving as what is danced, and the shadows can't take it.

Just as popular American music seems increasingly more valid, more emotionally effective, than the work of our conscious and synthetic composers, so more satisfaction in dancing can be derived from vaudeville and revues than from the various group recitalists. We await the day when a fusion will be realized, when a directing intelligence with a sense of lyric style can utilize all of the natural virtuosity at hand.

LINCOLN KIRSTEIN

Drama

"Dodsworth"

NO rebel by temperament likes to find himself a member of any majority—not even of one which he happens to have had a hand in creating. That, doubtless, is the reason why Sinclair Lewis reversed himself in his most recent novel and replied, somewhat intemperately, to those sneers at the common American which he had taught the common American to make of himself. He had, in other words, convinced everybody except Sinclair Lewis, and hence felt bound to say that if the public now agreed with him he no longer agreed with the public.

"Dodsworth," on the other hand, appears to have been written during a period of transition. Like most examples of what is called "balance" in art, philosophy, or government, it is really only something passed happily through on the way from one extreme to another, but that does not mean that there is not much to be said for the opinion that it is Mr. Lewis's best book—the richest, the truest, and the most human, if not the most striking or that most likely to be remembered by historians of culture. Certainly none of the others would lend itself so well to dramatization, and "Dodsworth," as transferred to the stage of the Shubert Theater, becomes a play that is more than good; it becomes one that is somehow genuinely and deeply satisfying.

The story of a great American manufacturer who went to Europe in search of culture and succeeded only in losing his wife is familiar. Indeed, it seems almost to have been familiar before Mr. Lewis wrote it, but this is one of those cases when such a statement implies no reproach, when the sense of familiarity is somehow connected with the sense that the tale is true

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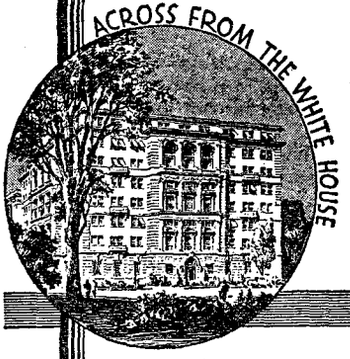

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JOSEPH WOOD KRUTCH says

AH, WILDERNESS! Guild Theater. O'Neill's nostalgic comedy about a youth who discovers love and poetry together. Made doubly effective by the performance of George M. Cohan.

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MARY OF SCOTLAND. Alvin Theater. Helen Hayes and Philip Merivale give fine performances in Maxwell Anderson's play. The biggest dramatic hit of the moment but one which left me a little cold.

MEN IN WHITE. Broadhurst Theater. Fine teamwork on the part of the members of the Group Theater helps to make this play about a young doctor one of the things which must not be missed.

PEACE ON EARTH. Civic Repertory Theater. Propaganda play about the next war, in which the workers strike and a young college professor gets framed for murder. Drawing special but enthusiastic audiences which evidently do not agree with me that the play is quite uninspired.

THE SHINING HOUR. Booth Theater. What happens to a quiet English family when love puts in an unexpected appearance. Delightful comedy and the best of the recent offerings.

THEY SHALL NOT DIE. Royale Theater. Vivid summary of the Scottsboro case. Brilliantly done but as painful as it is powerful.

and typical and significant—that its hero is a national hero and his tragedy the tragedy of a whole culture. There is no occasion for saying that Dodsworth himself is right or wrong, admirable or ridiculous. Mr. Lewis preaches no sermon and attempts no evaluation of that epoch in American history which his hero obliquely illuminates. Dodsworth is terribly limited and in certain respects grossly incompetent. He fails at last where he wanted most to succeed. But he is, for all that, neither a mere Babbitt nor a Poet of Hotels. He is, on the contrary, as intensely likable a hero as American literature has produced. Doubtless it would be too much to call him a genuinely tragic figure for other reasons beside the fact that he has been given a half-happy end. But he does reveal one, at least, of the distinguishing qualities of the tragic hero. He succeeds in justifying himself at the very moment when he fails at what he is trying to do.

Obviously the audience warms to this play in some very special way. It is almost certain to be one of the great hits, but that does not in itself mean much, because great hits are made in various and often trivial ways. What does mean something is the fact that this particular play plainly strikes deep and significant chords in the hearts of its spectators, and that in the effort to describe it one is tempted to fall back upon the over-used phrase "a folk quality." Mr. Lewis, an individual, wrote the story. Yet once the story was written it seems as if we had always known it, as if, at the very least, it had always been inevitable. Nor is anything detracted from the author's credit when we say that he seems to have been only the instrument through which certain things that were bound to be said did at last get themselves articulated. The story of Dodsworth was in the air; it was, as much as any one story well could be, the story of the development of the most characteristic American type and of his maturing sense of his own inadequacy. Fundamentally, I think, it is because the audience recognizes this fact that it reacts as it does, not with its self-conscious sophistication, but with its deeper consciousness of the relevancy of the Dodsworth legend to our particular culture. Out of some such materials as these the greatest American play might well be written.

In comparing the dramatic version with the novel itself, one might well argue that the former loses in solidity what it gains in vividness. I agree that it does not entirely escape from that sketchiness which seems inevitable in every dramatization, and that something has been left untold even after the last of the fourteen scenes has unrolled itself. Nevertheless, there are two reasons why "Dodsworth" is much more than the usual series of illustrations and far finer than the usual dramatization of even a good novel. The first of these is the superb job of playwriting done by Sidney Howard, who seems to have exercised an unfailing judgment in selecting the crucial moments and who demonstrates once more that he combines two qualities all too seldom found together. No one could be more thoroughly theater-wise or have a surer sense of dramatic construction, and yet no one could be at the same time more conscientious in the use of his skill or less likely to succumb to the besetting sin of a technician who permits himself to use tricks for the tricks' own sake. The other reason is the presence in the leading role of Walter Huston, one of our finest actors and now, for the time being at least, happily rescued from a captivity in Hollywood. Other actors in the large cast—notably Fay Bainter, Nan Sunderland, and Madame Ouspenskaya—deserve high praise, but it is upon Mr. Huston that the heaviest burden falls. He looks the part to perfection and he seems to live it too. Without his performance the play might possibly seem thin, but he manages to be everything which the dialogue cannot indicate and solidly bodies forth both that dignity and that awkwardness which are the essence of a character who is masterful in the field of his competence but so pathetically help-

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less outside it. One can only say of the performance that it is no unsatisfactory substitute for those pages of analysis which a dramatization must leave out.

JOSEPH WOOD KRUTCH

"Richard of Bordeaux" (Empire) is rather an exhausting drama, long and heavy with incident and argument, but it offers several advantages over the majority of historical plays. Its language, in the first place, is simple and vigorous, with no lapses into pseudo-Shakespearean dialect or poetry. In addition, the leading figure is a believable person rather than a mere king. The character of Richard II is persuasively developed, whatever its historical accuracy may be. He is represented as a man of numerous conflicts—sensitive and hysterical, a pacifist and an aesthete, but also intelligent and proud and determined. And the tougher elements in his personality crystallize as events beat to death his more delicate tastes and gentler ideals. From the start Richard is destined to failure. But his final utter defeat causes less collapse of personality than does the smallest thwarting of his will in his younger days. He manages to survive subjectively in the midst of the most complete external ruin; and one's interest in him similarly survives a great weariness produced by the events that conspire to crush him.

F. K.

Films

Picaresque

ONE has often wondered why our American story-tellers, in their effort to get quantitatively more of the variegated abundance of American life into their works, have not considered the advantages of that form of the novel, now practically extinct, known as the picaresque. It is true that the picaresque novel, made up of a series of not always too closely articulated escapades of one or more characters journeying across some region, is an elementary and artistically unrefined type of novel form. But it happens to be a form admirably suited for those periods in history when the dissolution of an existent social structure gives to experience a random, disorganized, centrifugal quality which makes an orderly treatment of it difficult or impossible. As a means of revealing the grotesque contrasts between the old and the new, between the still surviving ideals of feudalism and those of the triumphant Renaissance, it was exactly appropriate for Cervantes and his many French and English followers in the sixteenth and seventeenth centuries. And as a means of bringing out the dizzy contrasts presented by life in the United States during the present period—a period in which social and moral ideals are also undergoing a profound change—it should be no less appropriate a device. Moreover, it makes possible a larger geographical inclusiveness, a more complete survey of the so-called American scene, than any form now being practiced. It alone might save us from the increasingly morbid inbreeding of regionalists like Faulkner and Caldwell. In fact, there are any number of reasons why our novelists should reread their Cervantes, their Lesage, and their Smollett, and think about doing something of the same kind for their own country.

In the meantime the film writers in Hollywood have taken the jump on them. Very probably the original intention of these writers was the quite innocent one of attempting to get the same kind of melodramatic rewards out of the cross-country bus that had been got out of the railroad train in "Shanghai Express" and the steamship in "Transatlantic." But by keeping close to their chosen vehicle of transportation those responsible for "Fugitive Lovers," "Cross-Country Cruise," and "It Happened One Night" have stumbled upon what is in all essentials the old picaresque method. In the last-mentioned film, which had a real success at the Music Hall, the parallels are inescapable: overnight tourists' cabins and hot-dog stands for the inns and taverns of Smollett and Sterne, gas stations for the wayside shrines. Clark Gable, as an unemployed newspaperman, is a convincing "rogue," full of the tricks and subterfuges of the most traditional *picaro*. In Claudette Colbert's spoiled daughter of a yacht-loving capitalist (played with charming futility by Walter Connolly) one might see a contemporary reincarnation of Dulcinea. Perhaps also one might detect a burlesque of modern bourgeois chivalry in the scene in which her fiance, a worthless society climber, arrives at his wedding in a gyroplane. As far as the action is concerned, we are plunged almost immediately into the life of the road—concrete and macadam, of course, but this makes little difference, and not much that might happen on the road between Florida and New York is left out. The film has exceptional movement, variety of every kind, and an ample infusion of tart commentary. The selection of American types in the scenes on board the buses and along the road is excellent. So much do these things count that one is willing to accept the defects as necessary evils in a Hollywood production of this kind. To claim any significance for the picture, apart from its successful use of what may turn out to be a very good method for the screen, would of course be a mistake. But it can be recommended as one of the most uniformly amusing films of the season.

Admirers of the extremely sophisticated insanities of Jimmy Durante will not be disappointed in "Palooka" (Rivoli), in which he gives such a nerve-racking exhibition of misdirected energy that one is more convinced than ever that he must be regarded as our great American comedian—if not, indeed, as something like a national symbol.

WILLIAM TROY

Contributors to This Issue

JAMES RORTY is writing a book on advertising, to be called "Advertising—Not to Praise," which will be published this spring.

ROBERT DELL is the Geneva correspondent of the *Manchester Guardian*.

ROBERT WOHLFORTH was formerly an army officer. He is now a military critic engaged in research work in Washington and in the spring will publish a novel, "Tin Soldiers."

J. FREDERIC DEWHURST is the economist of the Twentieth Century Fund.

MARGARET GRANT SCHNEIDER contributed editorial and research assistance in the preparation of the security-market survey sponsored by the Twentieth Century Fund.

FRANK H. SIMONDS is the author of "Can Europe Keep the Peace?" and "America Faces the Next War."

CARL VAN DOREN, editor of the Literary Guild, is author of "The American Novel."

LEON DENNEN was formerly assistant editor of the Moscow *Daily News*. He is completing a book entitled "Where the Ghetto Ends," which will come out this spring.

BABETTE DEUTSCH is the author of "Epistle to Prometheus" and other volumes of verse.

LINCOLN KIRSTEIN, one of the editors of *Hound and Horn*, has written a life of Fokine and collaborated with Madame Nijinsky on a life of her husband.

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